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Jaguar tops BL's 'for sale' list, Page 12

NEWS SUMMARY

GENERAL Another setback for space shuttle

The U.S. space shuttle Challenger, which lost a Western 6 communications satellite on Friday, ran into more trouble yesterday when a balloon meant to simulate orbiting satellites disintegrated.

BUSINESS Bechtel may bid for UK shipyard

BÉCHTEL, the U.S. engineering and construction group, has, in the form of its UK offshoot, emerged as a rival to UK property and shipping group Trafalgar House for a possible takeover of the troubled Scott Lithgow shipyard on the Lower Clyde.

Lebanese Cabinet collapse threatens renewed civil war

The Lebanese Government resigned yesterday and some units of the Lebanese Army appeared to have defected, leaving President Amin Gemayel increasingly isolated in his attempts to shore up the authority of his regime.

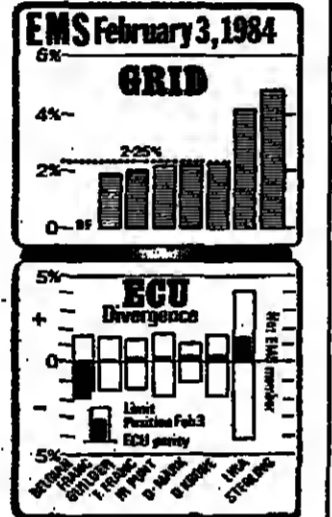
Thatcher's Hungary visit leaves opening for new links

By David Buchan in London BRITISH OFFICIALS are now planning follow-up diplomacy to Mrs Margaret Thatcher's successful two-day trip to Hungary.

Brazil accepts restrictions on weapons sales

BY ANDREW WHITLEY IN WASHINGTON THE U.S. has persuaded Brazil, the leading arms exporter in the developing world, to accept for the first time restrictions on its foreign weapons sales.

EMS February 3, 1984



Feldstein TV bar

The White House forced the cancellation of a television appearance by Mr Martin Feldstein, chairman of President Ronald Reagan's council of economic advisers.

British EEC official to attack UK farm policy

BY JOHN WYLES IN BRUSSELS BRITAIN'S Conservative Government will be accused today of keeping domestic food prices at least 3 per cent higher than they need to be.

AT&T in new bid to buy Inmos stake

BY GUY DE JONQUIERES IN LONDON AMERICAN Telephone and Telegraph (AT&T), the largest U.S. telecommunications company, has re-opened talks with the British Government about acquiring an interest in Inmos.

Invasion forecast

Indian Premier Indira Gandhi's son Rajiv, who is being groomed as her successor, has predicted that Pakistan might invade India within a year.

India calls alert

Indian embassies around the world were put on alert following the disappearance from Birmingham, England, of assistant commissioner Raminda Hanshwa. He was believed kidnapped by Kashmiri Moslem extremists.

Piracy on increase

A United Nations Conference on Trade and Development report for a maritime 'traud' conference opening in Geneva, today says that 'old fashioned piracy' is increasing at sea and in ports, and has become a serious problem.

Manila protest

A crowd of 20,000 urging the resignation of Philippines President Ferdinand Marcos marched to Manila airport where opposition leader Benigno Aquino was killed in August.

Maoris plan protest

New Zealand Maoris plan mass protests today, Waitangi Day, the country's national day, against the 1840 treaty that ceded sovereignty of Maori land to European settlers.

Islanders seek \$6m

People displaced from Diego Garcia, the Indian Ocean island leased by Britain to the U.S. as a military base, have asked President Ronald Reagan for \$6m to finance their resettlement in Mauritius.

Helicopter rescue

Eighteen people were rescued by helicopter and crane when fire swept through a Dead Sea hotel near Sodom, Israel. One person was killed and four injured.

Santovito dies

General Giuseppe Santovito, former head of Italy's secret service, died, aged 65, two months after his arrest on charges of revealing state secrets.

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Bourses to consider data link network

BY BARRY RILEY IN LONDON EUROPEAN stock exchanges are considering a plan for an electronic information exchange system which will transmit dealing and other data covering at least 200 leading European equities.

Fannie Mae Eurobond row looms

By Mary Ann Sieghart in London A ROW is brewing between the U.S. Treasury and the Federal National Mortgage Association (Fannie Mae) over Fannie Mae's backing of a recent Eurodollar bond.

Scandinavian Bank Group ANNUAL RESULTS Highlights from audited Consolidated Accounts 1983 1982 £'000 £'000 Total Assets 2,496,114 2,002,433 Total Deposits 2,153,197 1,680,830 Loans and Advances 1,490,492 1,275,974 Profit before Taxation 10,235 13,243 Shareholders' Funds 104,624 100,008 Capital Resources 213,213 179,111

# OVERSEAS NEWS

## Rebel raid forces Chevron to halt Sudan operations

BY CHARLES RICHARDS IN CAIRO

CHEVRON OIL Company of Sudan, a subsidiary of Standard Oil of California (Socal), is suspending temporarily its operations at some locations in southern Sudan following the killing of three expatriate workers in a rebel raid last Thursday.

The company said about 200 employees had been evacuated and all drilling shut down for the time being.

This is the second major setback for the Sudan. Work had already stopped on southern Sudan's other major development project, the Jonglei irrigation canal, after rebels kidnapped workers on November 15. Two Chevron workers were kidnapped at the same time.

Oil has been held out by the Government of President Jaafar Nimeiri as Sudan's great hope for solving its dire economic problems. But even proven reserves of 200m barrels would not yield benefit to the Government until the mid-1990s after the oil companies had recouped their investment.

Chevron has already spent nearly \$800m (£563m) on exploration and continues to spend \$600,000 a day. It hopes to begin to recoup its outlay once the planned 1,425 kilometre pipeline to the coastal export terminal is complete.

Financing arrangements for the \$960m pipeline project were about to fall into place with the White Nile Petroleum Corporation, the pipelines owner and operator.

Chevron had already begun to cut its losses. Its parent, Socal, has sold 25 per cent of Chevron's stake in Sudanese oil exploration and production to Royal Dutch/Shell for an undisclosed sum. Included in the deal was Chevron's interest in White Nile.

The three workers killed were a Briton, a Kenyan and a Filipino. Between 15 and 20 heavily armed men attacked them at Rub Kona, where Chevron is building a 103 acre base camp for the pipeline's southern starting point.

The raiders said they were from Anyanya II, a rebel organisation led by a former army colonel, John Garang. Anyanya II is demanding that all work stop on the Jonglei Canal and Chevron and Total's oil exploration and the repeal of Islamic law introduced last September.

Southerners, about a third of the population, are unhappy at what they perceive as neglect by the Arab, Moslem north, and President Nimeiri's redivision of the south which some feel weakens their political bargaining power.

## Mubarak visit to Morocco will help secure Arab ties

BY OUR CAIRO CORRESPONDENT

EGYPTIAN President Hosni Mubarak is to pay a two-day visit to Morocco at the end of his current four-nation African tour, Egyptian Foreign Minister Kamal Hassan Ali announced in Mogadishu.

The visit will be the first by an Egyptian President to any of the Arab states that broke off relations with Egypt when it made peace with Israel, except for Mr Mubarak's brief trip to Saudi Arabia on the death of King Khalid.

The visit will be seen as yet another diplomatic triumph for Egypt, following the visit to Cairo in December of the chair-

man of the Palestine Liberation Organisation Yassir Arafat, and the Islamic Conference Organisation's invitation to Egypt to rejoin its ranks.

Egypt's readmission serves as the pretext for the invitation by Morocco's King Hassan, the ICO chairman. He was always a reluctant subscriber to the Arab boycott of Egypt, and had a hand in arranging some of the early meetings between Egyptian and Israeli officials. Since then, although diplomatic ties officially remain severed, the Moroccan foreign minister has visited Egypt, and Egyptian officials have been to Rabat.

David Buchan, recently in Budapest, assesses last week's Anglo-Hungarian dialogue

## Diplomatic triumph for Thatcher in Budapest

THE MEDIUM was the main message in Mrs Margaret Thatcher's two-day visit to Hungary: dialogue for dialogue's sake, since there had been none before at the highest level between these two countries on different sides of the East-West political divide.

In the British leader's four hours of talks, split equally with Mr Janos Kadar, the communist party leader, and Mr Gyorgy Lazar, the prime minister, both sides tacitly agreed not to dwell on their differences.

Mrs Thatcher had a specific message for Moscow—that it should return to the Geneva talks. But her Hungarian hosts made clear they would not act as private messenger to Moscow. So Mrs Thatcher stated it

publicly.

By the rather banal tactic of focusing on what united them, the British and Hungarian leaders seem to have achieved their minimal aim of convincing each other of their sincerity.

Most important for the Hungarians, Mrs Thatcher succeeded in stating her robust foreign policy and defence views without embarrassing her hosts. The potential for such embarrassment was underscored by an official Press attack on Mrs Thatcher from neighbouring Czechoslovakia while she was still in Budapest.

Overenthusiastic praise for the Hungarian economic reforms, which with their emphasis on private initiative and enterprise (though not

necessarily ownership) overlap with Thatcherist views, might have been awkward. But Mrs Thatcher steered clear of this pitfall, merely praising Hungary for following the economic policies which suited it best.

Mr Thatcher did Hungary a positive service on the issue of its forthcoming negotiations with Brussels for a trade agreement with the EEC. The Hungarian leadership has been nervous about how this further sign of independence in their economic policy might be viewed by their Eastern allies.

At her Budapest press conference, the British leader stressed that seeking such an agreement with the EEC was perfectly normal, that all

manner of countries did so, and that Hungary would have UK support at the bargaining table.

Hungary is seeking for itself a better agreement than the only accord so far reached by the EEC with a Comecon country, with Romania in 1978. It wants to succeed where the Romanians failed, in getting EEC member countries' quotas on its goods abolished.

Better access to the EEC market for a food-exporter like Hungary is certain to be resisted by EEC members such as France, Ireland, and Italy. At the same time, Hungary does not have the relatively carefree room for foreign policy manoeuvre that Romania, the maverick in Warsaw Pact

and Comecon, has.

As generally low-key and protocol-conscious state visits in the East go, her trip was a minor coup de theatre. Her walk-about in Budapest's colourful Tobuini covered market was chaotic, with Mrs Thatcher and the accompanying knots of British television and press surging through open-eyed and intrigued Saturday-morning shoppers.

"How stylish" was the comment of more than one bystander, impressed at a kind of political populism rarely seen in the East. The sentiment seemed to be shared by the Hungarian press corps who, at the end of her farewell press conference, burst into spontaneous applause.

## Feldstein forced to cancel TV appearance

By Stewart Fleming in Washington

MR MARTIN FELDSTEIN, Chairman of President Ronald Reagan's Council of Economic Advisers, was forced by the White House to cancel yesterday a television appearance to discuss the Administration's economic and budget policy following complaints to the White House about his views from Mr Donald Regan, the Treasury Secretary.

The Washington Post reported the White House move after a bitter dispute erupted between Mr Regan and Mr Feldstein on Friday. Mr Regan said that as far as he was concerned, Congress could "throw away" the bulk of the 1984 economic report of the President written by the CEA.

Subsequently Mr Feldstein described Mr Regan's comments as "a throw away line." The White House would not confirm that pressure had been put on Mr Feldstein.

The disarray within the Reagan Administration about economic policy has heightened anxieties in the financial markets over the \$200bn a year budget deficit. This contributed to a sharp fall in share prices on Wall Street on Friday and a weakening of the dollar on the foreign exchanges.

Against this background, Mr Paul Volcker, the chairman of the Federal Reserve Board, will release today testimony he will present to Congress tomorrow and Wednesday about Fed monetary policy.

Administration and congressional officials are due to meet later in the week to begin to try negotiate a \$100bn three-year programme to cut deficits. Congressional leaders, however, remain sceptical about the scope for action. Senator Pete Domenici, chairman of the Senate budget committee, said yesterday that "if one side goes in taking extreme political positions, we will not get anything done."

## Zimbabwe acts to halt fresh rebel activity

By Tany Hawkins in Harare

THE ZIMBABWE Government's weekend decision to reimpose a dusk-to-dawn curfew in parts of the troubled western province of Matabeleland follows last week's official statement expressing concern at the "marked increase" of dissident activity in the region.

Mr Simbi Mugoko, the Home Affairs Minister, has blamed South Africa for the recent intensification of rebel activity, saying that a large number of South African-sponsored rebels had entered Matabeleland.

The minister said this "renewed activity" by rebels revealed a new phase in the two-year-old campaign. However, there is a noticeable shift in the tone of official statements, which increasingly blame South Africa for the violence rather than Mr Joshua Nkomo's Zapu opposition party, which was previously held responsible.

This is the third time in two years that the Government has used curfew powers to combat the rebels.

In a series of statements last week, the Mugabe Government said 459 rebels had been either killed or captured by security forces in the past two years, while the dissidents had killed 120 people, mutilated 23 and raped 47 in the last year alone.

Most of the captured rebels had professed loyalty to Mr Nkomo's Zapu party.

## Nato urged to deploy high technology arms

BY IAN DAVIDSON

NATO should take advantage of new technology to strengthen its capacity for conventional defence, in order to reduce reliance on nuclear weapons, according to a study published today by the British Atlantic Committee.

The study, Diminishing the Nuclear Threat: Nato's Defence and New Technology, was drafted by a nine-man group of defence experts headed by Lord Cameron, formerly Britain's Chief of the Defence Staff.

The British Atlantic Committee is an educational charity

devoted to the promotion of information about the North Atlantic Alliance.

The study joins the growing chorus of respected voices calling for a review of Nato's strategy of "flexible response" which assumes that nuclear weapons could be used to counter the Warsaw Pact's conventional superiority. It argues that high-technology stand-off weapons could displace nuclear weapons, thus raising the nuclear threshold.

"The present (nuclear) weapon arsenals are far in excess of the needs of deterrence," it says. "The concept

of controlled, step-by-step escalation is impracticable nonsense in an unpredictable and largely uncontrollable and chaotic situation. . . . Technology offers the prospect of removing the need to employ such a comprehensive spectrum of nuclear weapons as both sides now possess, and enables us to think clearly and positively for the first time about a minimum deterrent."

The case for strong western, and British, strategic nuclear deterrents would remain; some theatre nuclear weapons would also be needed, though in much smaller numbers than at

present.

But the study questions whether the West needs slavishly to match the Soviet armoury at every level, and whether there is any political or military sense in the forward location of nuclear warheads in the European theatre.

The study dismisses as fantasy the idea of space-based anti-missile defence, associated with President Reagan's "Star Wars" speech of March 1983; and it calls for an international treaty to ban the testing of space-based weapons.

*British Atlantic Committee, 30A St James's Square, London SW1.*

## EEC inquiry may prompt strategy for white goods

BY CARLA RAPOPORT

AN EEC investigation into the problems facing Europe's \$15bn-a-year white goods industry is expected to prompt proposals on bilateral and multilateral cooperation in the area of component manufacture as opposed to the assembly of finished appliances.

The Brussels initiative was prompted by the industry's twin problems of over-capacity and the weakened financial state of many of its members.

"They want to be sure there won't be any bankruptcies down the road," explained an EEC

## Unions to reject OECD plan to hold down wages

BY DAVID MARSH IN PARIS

EFFORTS BY major industrialised countries to speed up economic recovery by holding down wages are expected to come under strong criticism from trade unionists at an inter-governmental conference on unemployment starting in Paris this afternoon.

The three-day conference, under the auspices of the Organisation for Economic Co-operation and Development, brings together for the first time labour ministers, officials, employers and trade unions to discuss ways of lowering the present total of 33m jobless

## people in the 24-nation OECD.

Mr David Bassett, leader of Britain's General, Municipal and Boilermakers Union and chairman of the OECD's trade union advisory committee, who is due to address the conference's opening session this morning, is expected to deliver a flat rebuttal to the idea that reducing real wages represents the route to recovery.

He will argue that the sharp growth in employment in the U.S. over the past 12 months has been caused by the huge American budget deficit

Pressure on Opec oil producers to cut output to below the official 17.5m barrels a day quota had eased slightly due to cold winter weather, especially in the American north, according to International Energy Agency officials. Reuter reports from Paris.

Non-Communist world oil demand in the first three months of 1984 is expected to be 46.7m barrels a day (mbd), 0.3 mbd higher than forecast last month.

## Joint debt stance

Argentina and Venezuela declared on Saturday they would co-ordinate policies to defend their interests better when renegotiating foreign debts. Reuter reports from Caracas. They also urged creditors to consider the negative impact posed by foreign debts on the region's democratic governments.

The question of Latin America's \$310bn foreign debt should be analysed jointly with industrialised nations because of their "co-responsibility" for the region's obligations, they said.

## Athens air pact row

The Greek Government has denounced as "one-sided as colonial" a 1946 civil aviation agreement with the U.S. Revises in 1966 and 1968. The agreement allows Trans World Airlines (TWA), the American carrier, to transport passengers between Greece and points in Western Europe and the Middle East.

## Pakistan invasion of Kashmir forecast by Rajiv Gandhi

BY JOHN ELLIOTT IN NEW DELHI

A PAKISTAN invasion of India within a year has been forecast by Mr Rajiv Gandhi, son of Mrs Indira Gandhi, the Indian Prime Minister.

In an interview with the Financial Times Mr Gandhi, who is being groomed by Mrs Gandhi as her successor, said that the invasion would "take place logically in Kashmir."

He made his forecast in the context of his concern about unrest and the growth of alleged pro-Pakistan groups in the northern states of Jammu and Kashmir where Mrs Gandhi's Congress I Party has been unsuccessfully trying to topple the National Conference state government elected last June under the leadership of Dr Farooq Abdullah, son of a distinguished Kashmir statesman.

Mr Gandhi, who is a general secretary of Congress I and therefore becomes involved in state politics, said Mrs Gandhi and her ministers were "not being tough enough" in dealing with the problems in the state.

Along with some other advisers he is believed to have failed in the past fortnight to

persuade Mrs Gandhi to sack Dr Farooq and declare presidential rule of the state.

She is believed to have pulled back from this step having successfully rocked the stability of Dr Farooq's government in the past six weeks on the advice of more experienced confidants including Mr B. K. Nehru, the state's governor who is her cousin. He is believed to have told her she had no reason to take over.

India and Pakistan have gone to war over their disputed border in Kashmir three times since 1947. In his interview Mr Gandhi said Dr Farooq was "encouraging people to come up who are traditionally anti-Indian."

He was referring to groups which want independence or Pakistan rule for the area.

Mr Gandhi said that at the same time Pakistan forces were carrying out their biggest ever army and air force exercises across the Kashmir border and the internal situation in the state meant that intelligence information was not coming through properly.

He said that an invasion was

most likely "at what we call the 'Chicken's Neck' near Jammu which is our most vulnerable point on the border."

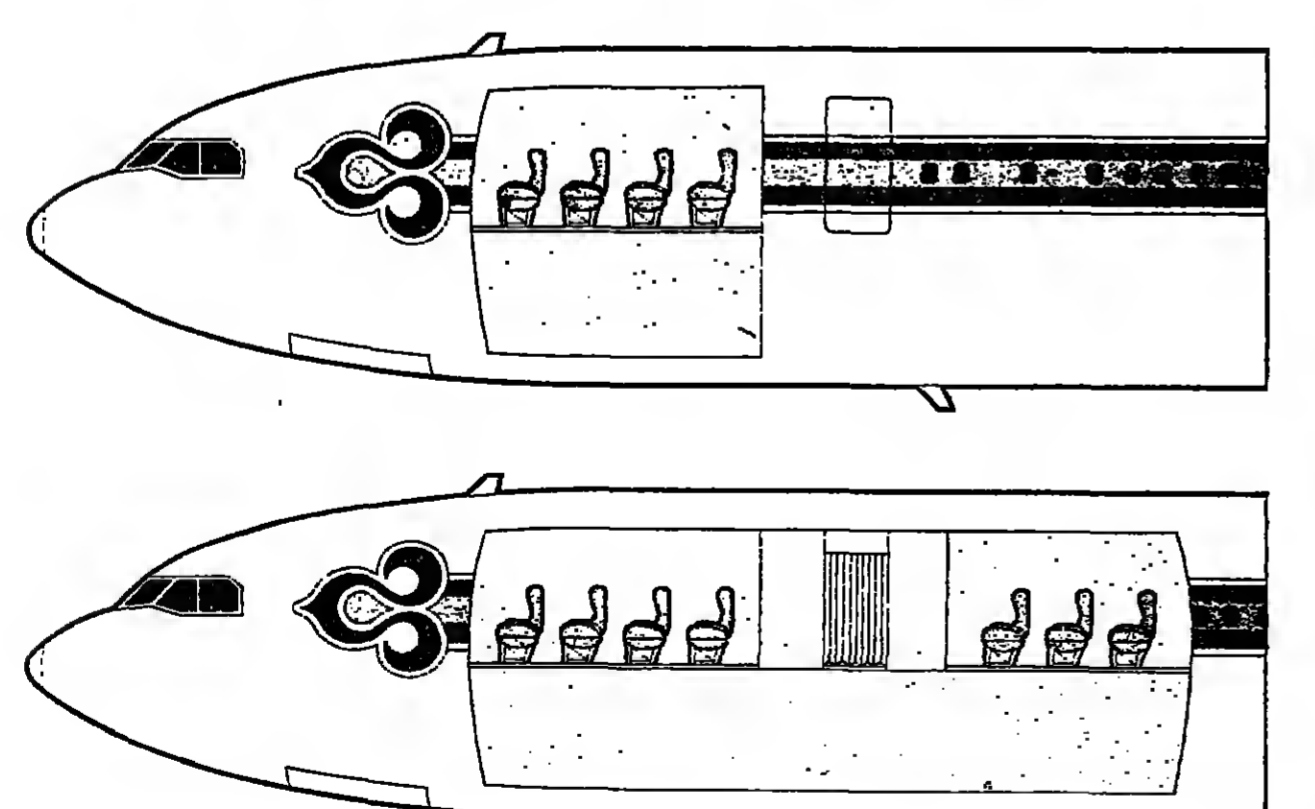
Mr Gandhi's warnings will be seen in India in the context of the Kashmir internal political situation.

But it is significant that he has spoken out so precisely about an invasion at a time when the countries' often hostile and accident-prone relations have been entering a new phase.

Last month India and Pakistan started tentative and inconclusive steps towards normalising relations on trade, economics and other matters and Mr H. K. Bhagat, the Indian information minister, was due to visit Islamabad later this month. But the Pakistan Government was warned on Saturday that this visit would have to be reconsidered because of a row involving the cancellations of visas for two Indian Airlines officials working in Pakistan who allegedly helped two Indian embassy servants return home illegally.

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February, 1984

## GM output pushes up Spanish car exports

By David White in Madrid

SPAIN EXPORTED almost 30 per cent more cars last year than in 1982, thanks to the build-up of production at General Motors' new plant near Saragossa. But the motor manufacturers' association Anfac, releasing preliminary figures, said the year had been "mediocre" for cars and worse for other sectors.

Exports of GM's Open Corsa model, which put the U.S. company straight into top place among Spain's car exporters with a total of over 198,000 units, disguised an overall decrease of almost 3 per cent among the country's other five manufacturers.

Total car exports at over 641,000 units accounted for a record 56 per cent of production, which also hit a new high in 1983, due solely to GM's arrival — at 1.14m units, 23 per cent up on 1982.

Apart from GM, which is the most export-oriented of the companies, only the Peugeot group's Citroën subsidiary showed substantial gains in production and exports. Its sister company, Talbot, registered level output and lower sales outside the Spanish market.

Renault, while maintaining its lead among Spanish producers, suffered falls in both output and exports and so did Seat, the State-owned manufacturer. Ford's performance was roughly in line with 1982, with an increased dependence on non-Spanish outlets.

The other main innovation in the Spanish motor industry, the start-up of production of the Nissan Patrol at the Barcelona-based Motor Iberica, contributed to a 65 per cent rise in production of four wheeled vehicles and a 63 per cent boost in exports.

John Wicks adds from Zurich: Swiss car sales dropped by 5.6 per cent last year to 273,327 units, according to the Car Importers' Association, despite a 6.5 per cent rise in the first quarter of 1983 caused by the liquidation of stocks of vehicles manufactured to former exhaust system standards.

All major makes were affected — Switzerland has no car industry. Sales of the five most popular types all declined, Opel by 5.2 per cent, Volkswagen by 12.6 per cent, Fiat by 7.7 per cent, Toyota by 3.7 per cent, and Renault by 26 per cent.

But sales of Audi cars grew 34.5 per cent, Mitsubishi 21.3 per cent and Peugeot 9.7 per cent.

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## Brock lobbies for 'Reagan Round'

BY NANCY DUNNE IN WASHINGTON

MR WILLIAM BROCK, the U.S. trade representative continued to press for a new round of international trade talks in informal meetings with the Trade Ministers from the EEC, Canada and Japan, at the weekend.

Agreement was needed, he said, on a new round of negotiations under the General Agreement for Tariffs and Trade (GATT) to begin in 1986. U.S. officials, who view the proposed talks as a means of combating protectionist pressures in the industrialised countries, are calling the meetings, somewhat prematurely, the "Reagan Round." President Reagan mentioned them in his State of the Union message last month.

## U.S. to move against counterfeiters

BY NANCY DUNNE IN WASHINGTON

THE U.S. congress is preparing legislation to block the activities of counterfeiters, who are thought to have deprived companies of domestic export sales worth between \$6bn and \$8bn in 1982.

The chairman of the House Energy and Commerce Committee, Mr John Dingell, is preparing a Bill under which countries now receiving duty-free entry benefits granted under the Generalised System of Preference (GSP) would lose

their status if they fail to control counterfeiting or intellectual property rights abuses. A country could regain its duty-free benefits if it eliminates the offending practices or makes a "credible best effort" to do so.

The International Trade Commission estimates that lost revenue as a result of counterfeiting was split almost equally between domestic and export sales. Traditional areas affected such as apparel, records and tapes were now being joined by

chemicals and related products, sporting goods and transportation equipment parts and accessories, particularly for cars. Counterfeiting was found to exist for 151 products in 43 countries. These were marketed in 67 countries, including the U.S. The Far East was the primary source of counterfeiting, the ITC reported. Taiwan alone was the source of more than 60 per cent of the counterfeited goods.

Other principal offenders were Hong Kong, Indonesia, Singapore, Korea, the Philippines, Japan and Thailand. Among the new items currently being faked are computer hardware and software, battery packs, electrical components, toasters, toys and games, jewelry, luggage and handbags.

Mr Dingell is said to be close to relating his own report on counterfeiting. He is also expected to fight for controls in criminal penalty Bills now under consideration by the House Judiciary Committee.

Third World and easing restrictions on the sale of high technology products and services.

Mr Brock told reporters that he warned his fellow Ministers, Mr Hikosaburo Okonogi from Japan, Mr Wilhelm Haferkamp from the EEC and Mr Gerald Regan from Canada, that the Administration is facing "a very tough year" of protectionist pressures in Congress.

Administration officials hope to deflect industry demands with the promise of expanding trade and creating jobs by improving the trading system. "There is a sense that a new round can shift the perspective in a more positive direction of liberalisation and opening up markets," Mr Brock said.

## China iron ore deal for Australia

By Mark Baker in Peking

AUSTRALIA is likely to win new long-term contracts worth \$55m (£55m) a year to supply iron ore to China's largest steel mill which is due to start operating in April.

It has been promised contracts to supply between 40 per cent and 50 per cent of the 5m tonnes of ore required each year for the first phase of the Baoshan complex near Shanghai, say Australian trade officials. Australian companies are expected to win a similar share of supply contracts for the second phase of Baoshan, due to open in 1987-88 which will also require 5m tonnes of ore a year.

The first phase contracts alone could nearly double Australia's current ore exports to China. The Chinese bought 2.5m tonnes from Australia last year at an average price of about \$17 a tonne. Mr Bob Hawke, the Australian Prime Minister is to visit China this week, touring Baoshan on Saturday and talks about the ore contracts are expected to be held in Peking. China also plans to invest as much as A\$75m in Australian iron ore mining.

Australian trade officials say, so that it can secure long-term supplies at stable prices, to train their own miners and to gain advanced skills in mine management.

## France delays approval for Plessey modem

BY DAVID MARSH IN PARIS

THE difficulties facing governments trying to draw up common European telecommunications standards have been underlined by problems encountered by Plessey, the major British electronics manufacturer, in winning approval to introduce in France equipment requested by international clients.

Plessey has been seeking authorisation for about two years from the French telecommunications authorities to install high-speed modems, which allow computers to communicate with each other along telephone circuits, at some of its French customers.

The high-speed 1600-2 modems allow high volume data transmission along leased international telephone circuits and cost more than £5,000 each. A small number of specialised customers such as banks, airlines companies and hotel chains want the apparatus to complete their international data transmission network.

Plessey officials say the reason for the delay in approval is still not clear and talks are still going on with the French

authorities. The modems have been accepted by other European countries.

The hold-up is ironic in view of the talks going on between telecommunications authorities in Britain and France on opening up each country's public sector markets for digital telephone exchanges. Both GEC and Plessey — the makers of Britain's System X exchange — as well as CIT Alcatel, which produces France's most modern exchange, the E.10, are involved in the talks, which have been continuing since the end of last year.

The Plessey equipment is particularly advanced, and as yet there are no internationally recognised standards for modems of this transmission speed, which could explain the delay. But Plessey points out that the modems have been accepted in West Germany, Belgium, the Netherlands and Switzerland as well as the UK. The Paris authorities may be blocking approval because they wish to deny Plessey access to the market — the modem is not produced by any French manufacturer, although there are other foreign competitors.

## SHIPPING REPORT

### Smaller is more desirable in tankers

By Andrew Fisher, Shipping Correspondent

CHARTERING rates hardened in the tanker market last week, though interest in the largest vessels remained slack. The main demand was for tankers up to 100,000 deadweight tons.

There are still 32 VLCCs (very large crude carriers) and 10 ULCCs (ultra large) sitting in or near the Gulf, reported E. A. Gibson Shipbrokers. These totalled nearly 11.5m dwt. "With such an overhang it is obvious that it will take many months indeed to dispose of this quantity." It saw no chance of the market improving sufficiently in the short term to absorb the surplus.

But the picture was different for smaller ships. One cargo of 60,000 tons obtained Worldscale 95 from the Gulf to Incheon in South Korea, with a 71,000 ton cargo to Brisbane, Australia, fetching Worldscale 71 — both rates were higher than previous weeks.

Gibson said rates from Indonesia had also moved up, with Worldscale 83 paid for a 113,000 ton cargo to Europe. There was also more business out of West Africa, with many charterers seeking tonnage from 80,000 dwt up to VLCCs of over 200,000 dwt.

In the dry cargo market, trading was thin. Denholm Coates said inquiries for time charters had expanded, however. Charterers were prepared to pay up to \$2,000 a day extra for the most fuel-efficient vessels compared with older, thirstier ones.

Looking ahead, Matheson (Chartering) said recent increased activity in coal and iron ore shipments should be reinforced in the next two or three months by a seasonal rise in grain movements.

The pace tended to quicken in the North Atlantic in the weeks ahead of the opening of the St Lawrence Seaway/Great Lakes in early April.

Competition for tonnage would also start to build up as grain shipments from the River Plate in South America begin to accelerate. In the Far East, Japanese activity tends to expand in February and March, as charterers clear their outstanding commitments before the fiscal year-end.

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solid grey of thick fog. The blinding white of driving snow. Crimson faces in a traffic jam. Even worse, you'd miss it all again, on the way back. If you were relaxing on the train, having a meal, or a drink, or slumbering soundly on a sleeper you'd miss so much. Thank goodness.

**InterCity**

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## World Economic Indicators

		TRADE STATISTICS			
		Dec. '83	Nov. '83	Oct. '83	Dec. '82
U.S. \$bn	Exports	17.2	16.9	17.0	16.3
	Imports	22.1	22.2	24.0	19.2
	Balance	-4.9	-5.3	-7.0	-2.9
UK £bn	Exports	5.9	5.3	5.2	5.0
	Imports	5.4	5.2	5.6	4.5
	Balance	+0.5	+0.1	-0.4	+0.5
Japan \$bn	Exports	13.28	11.17	10.96	10.71
	Imports	11.28	11.17	12.20	11.62
	Balance	+2.00	+1.41	+1.34	+0.31
W. Germany DMbn	Exports	37.5	36.5	37.3	35.5
	Imports	34.5	33.0	34.6	30.9
	Balance	+3.0	+3.5	+2.7	+4.6
France FFbn	Exports	64.99	64.28	62.04	57.01
	Imports	48.30	51.18	61.74	64.16
	Balance	+1.69	-6.90	+0.32	-7.15
Italy Lbn	Exports	10,241	9,875	8,275	8,195
	Imports	10,788	11,259	10,217	9,515
	Balance	-547	-1,384	-1,942	-1,320
Netherlands Flbn	Exports	17.2	15.9	14.22	14.47
	Imports	17.30	14.83	14.77	13.54
	Balance	-0.08	+1.14	-0.55	+0.93

UK NEWS

Dublin and London in royal row

By Our Political Staff THE BRITISH and Irish Governments appear anxious not to allow their public differences over the Duke of Edinburgh's visit to an army base in Northern Ireland last Friday to damage bilateral relations. Both sides were hinting yesterday at a more sympathetic understanding of each other's position than was evident in the terse messages exchanged at the weekend. Dublin protested strongly at the visit on Friday night through the British Ambassador. That prompted an icy reply from the Foreign Office, Northern Ireland Office and Ministry of Defence, which pointed out that the visit was "an internal matter for the United Kingdom."

STABLE INFLATION RATE SEEN AS KEY TO GROWTH

Recovery 'can be sustained'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S economic recovery stands a good chance of being sustained at an annual rate of around 3 per cent if inflation does not rise. Professor Walter Eltis, the Oxford University economist, says today. In a paper written for Rowe and Pitman, the broker, Prof Eltis says most commentators now agree that the economy will expand by between 2½ per cent and 3 per cent this year. But he says there is much controversy about whether growth will slacken in 1985 and 1986. Continued growth at about 3 per cent a year is highly important for the Government, he says, if it wants to realise its ambition of cutting taxes while at the same time restraining public borrowing. Growth of about 3 per cent is also needed to have an effect on unemployment.

continued growth of imports will combine to damp down growth. However, Professor Eltis argues that if the money supply continues to grow significantly faster than the inflation rate, industrial investment will start to revive. That would happen because people and institutions with excessive amounts of their money in liquid form would step up their investment in equities. That would create a snowballing rise in equity prices, until companies found that issuing equity had become a relatively cheap way of raising finance for productive investment. Prof Eltis believes that process is already under way, but he says its continuance will depend crucially on the Government's success in preventing the inflation rate from rising again. If inflation did accelerate, the real value of the increasing supply of money could be wiped out.

In a separate analysis, Mr Christopher Johnson, Economic Adviser to Lloyds Bank, predicts a continuing rise in net borrowing by households this year. House mortgages, he says account for 82 per cent of all borrowing by households. Last year the extra debt contracted by households roughly balanced savings. But this year he expects total borrowings less savings will be about 2 per cent of households' total income. Mr Johnson has analysed the "household" sector rather than the "personal" sector, because the latter includes unincorporated businesses whose undistributed profits count as "savings". This year he believes that household debt may rise to about 63 per cent of disposable incomes and 30 per cent of financial assets. However, he says: "These are still conservative, gearing well below those in the U.S."

Urgent £2m sought by TV-am

By Raymond Snoddy TV-AM, the commercial breakfast television company, needs to raise an extra £2m to meet serious cash flow problems. Shareholders will be asked for the further urgent financial support at TV-am's board meeting on Wednesday. The request for more money is being linked with a package of cost-cutting measures, which include about 40 redundancies. Mr Timothy Aitken, chief executive of TV-am, said yesterday: "I think the cash flow problem is a very serious one and without the support of the board, which will only come as a result of the package the unions have to agree, the company would be in dire straits within a matter of weeks." The cash is likely to come in the form of loans, rather than new equity.

Wimpey announces plan to write off £35m

BY CHARLES BATCHELOR

GEORGE WIMPEY, the construction, engineering and property development group, has sold £53.7m worth of commercial property and announced plans to write off £35m on unprofitable contracts, mainly overseas. Mr Cliff Chetwood, chairman for the past month of Wimpey, which is Britain's second largest house builder, said the company was disposing of the property interests in which it had only part ownership because this inhibited effective management and severely restricted the marketability of the investments. The write-offs have occurred principally in three areas overseas: a dam which is nearing completion in Swaziland; mechanical engineering contracts in Saudi Arabia; and a housing development in the centre of Hong Kong.

three months. We will have no losing contracts." Wimpey is not due to announce its preliminary figures for 1983 until April. It increased pre-tax profit by £2m to £8.2m in the first half of 1983 on turnover of £816m, and analysts have forecast profits for the year in the £55m to £58m range. In a statement issued over the weekend, Wimpey said that the overall balance of trading during 1983 had been satisfactory and the group's financial position remained strong. On Friday the shares rose 1p to 337p. In future Wimpey plans to carry out property development on its own or in joint ventures in which it has a more active role in direction and management. The company is involved in property in the UK, in Europe and in the U.S. and plans to remain in all these three areas, Mr Chetwood said.

The property disposals will produce a profit over original cost of £80m. Wimpey has sold its half share in the Euston Centre, a commercial development in London's Euston Road, to Mr John Rithiat's British Land Company for £31.5m cash. Wimpey is also severing a 24-year old link with Mr Harry Hyams' Oldham Estate Company, which built the controversial Centre Point office skyscraper in Central London. It will sell half of its 10.26 per cent stake to the Co-operative Insurance Society for £17m cash, with an option to buy the rest for a further £17.4m. Wimpey paid just £23,000 for this holding. In further property moves Wimpey will be getting new partners in Ariel International, a property company active in the Netherlands and West Germany, and will see interests in eight other UK Property companies for £15.2m cash. It is also expanding its international house building business with the purchase of Morrison Homes, a Californian company with \$49m (£24m) turnover. Morrison, which builds about 400 houses a year, will be added to Monarch Homes of Houston, Texas, bought four years ago and now selling 1,000 homes a year.

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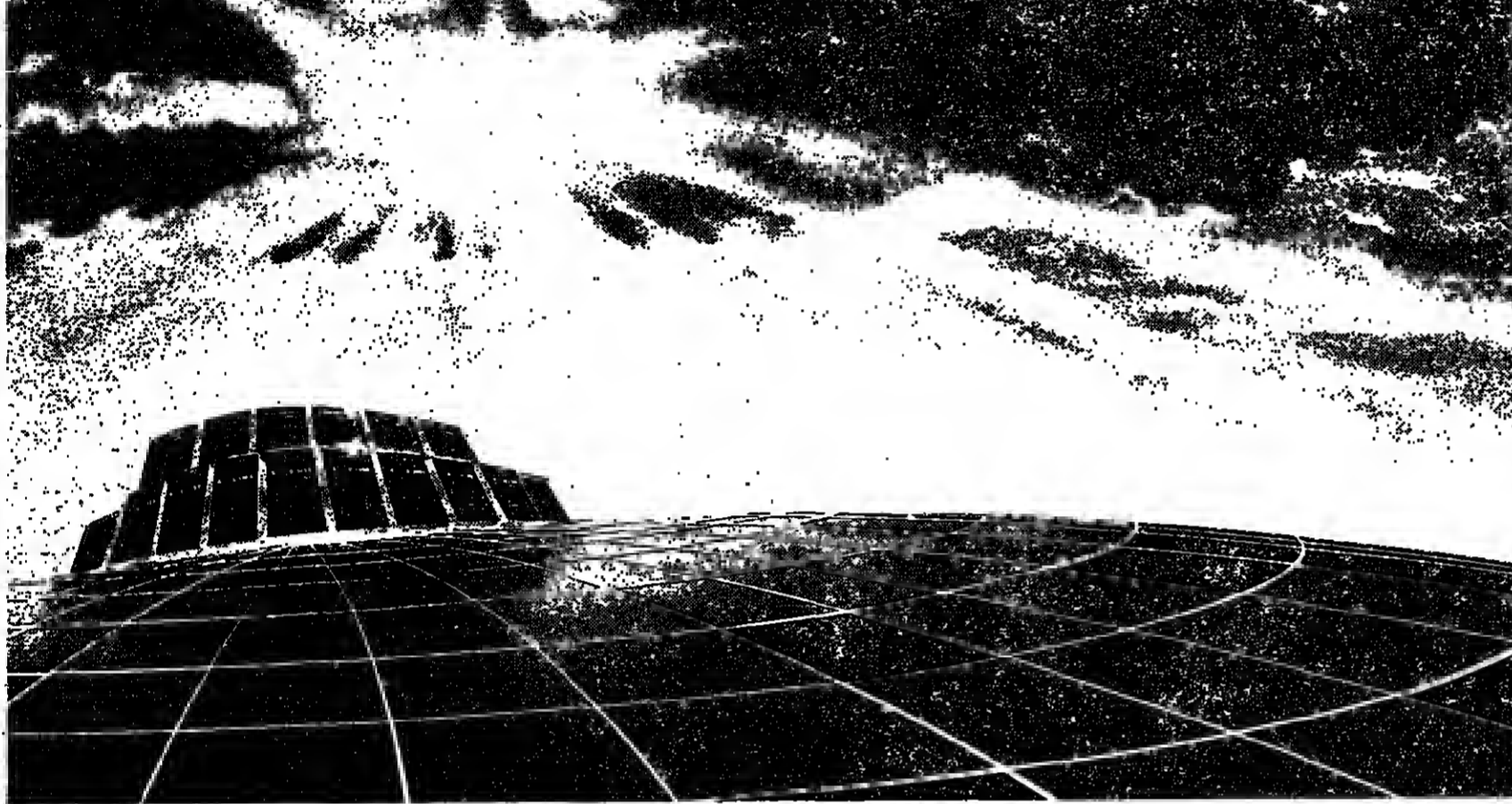
Tight target set for state spending

BY OUR ECONOMICS CORRESPONDENT

GOVERNMENT departments in Britain are told that the considerable over-run expected in their spending this year must be clawed back out of future years' budgets. A public spending White Paper (government policy document) to be published on February 18 for plans up to 1988-87 will take no account of the extra pressure put on departments by this year's overshoot, and will allow almost no increase in real terms during the next three financial years. An extremely tight target for total spending of about £187bn will be set for 1988-87 - only about 8 per cent more in cash terms than the target for 1984-85 announced in November. The full extent of this year's overshoot of spending targets will not be clear until after the budget in March when final figures for the financial year become available. However, in the first nine months of the year, government departments' spending was running 3 to 4 per cent ahead of target which suggested a £2bn to £3bn overshoot for the year as a whole. The reasons for the overshoot are not at all clear, but it is generally expected that the Public Sector Borrowing Requirement will be £2bn above its £8bn target, in spite of the fact that government revenues appear considerably more buoyant than was expected in March. The White Paper will therefore imply a tight squeeze on departments if total public is to be brought back on track. Tight inflation assumptions built into the plans will also squeeze departments, since they will get no cash to pay wage and other cost increases above those assumed by the Treasury.

NOTICE OF REDEMPTION to the holders of GENERAL MILLS FINANCE N.V. (now General Mills, Inc.) 8% Guaranteed Debentures Due 1986. NOTICE IS HEREBY GIVEN THAT pursuant to the provisions of the Indenture dated as of March 1, 1971, among General Mills Finance N.V., General Mills, Inc., as Guarantor, and Bankers Trust Company, as Trustee, as supplemented by a First Supplemental Indenture dated as of May 15, 1974, \$1,522,000 principal amount of the 8% Guaranteed Debentures Due 1986 have been selected for redemption on March 1, 1984 through the operation of the mandatory Sinking Fund. The numbers of the Debentures selected for redemption are as follows: [List of numbers follows]

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## UK NEWS

### Britain paid 1.3% more for oil in 1983

BY RICHARD JOHNS

THE PRICE of oil bought by the UK rose by 1.3 per cent in 1983, despite the 15 per cent cut in the dollar price in the first quarter of 1983, according to calculations by the International Energy Agency (IEA).

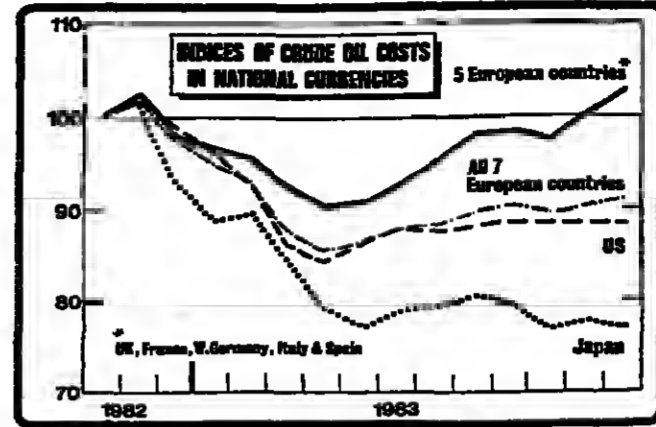
Other West European countries were more affected because of the decline in the value of their currencies against the dollar. Spain suffered an 18.2 per cent increase in the peseta cost of each barrel. It was hardest hit among the five most populous states for which the IEA has given figures in its latest monthly oil market assessment. Italy's unit oil costs went up by 3.5 per cent; West Germany's by 2.8 per cent; and France's by 2.3 per cent - giving an average of 3 per cent.

In dollar terms, the weighted average official price of internationally-traded crude was \$28.57 last month, about 54 less than in the early part of 1983, according to the IEA.

A higher average price on the spot market was recorded in January for North Sea oil, which rose by 37 cents per barrel to \$29.93, only 10 cents below the official "composite" rate.

On the demand side, the Paris-based agency has projected a 2.4 per cent increase in consumption this year by members of the Organisation for Economic Co-operation and Development (OECD). This is on the assumption that their overall growth will be 3.5 per cent.

Any rise in consumption would



halt the four-year decline which began in 1979. The trend was reversed in the second half of 1983 when demand was up 1 per cent on the same period of 1982. But for the year as a whole, at 33.6m barrels a day, it was still about 3 per cent below the level of the previous 12 months.

Total oil consumption in 1983, excluding centrally planned economies, is estimated by the IEA to have been 44.2m b/d. The IEA foresees it rising to 45.1m b/d.

There is little reassurance in the IEA's projections for the Organisation of Petroleum Exporting Countries (Opec) and the present price structure. It reckons that the requirement for its products will be 18.9m b/d, less any reduction in inventories.

That compares with actual Opec

output in 1983 of 18.4m b/d (including 1m b/d of natural gas liquids).

The IEA, believes, that the reduction in inventories has probably reached its limit. Commercial stocks have reached their lowest level since 1979 as companies have tried to minimise storage costs.

In the OECD as a whole there was a decrease of stocks on land of 200,000 b/d during the last quarter - meaning that those elsewhere and at sea must have built up at a rate of 1.2m b/d.

The agency reckons that the 25m barrels of Saudi oil reported to have been placed in floating storage would have accounted for 300,000 b/d of the non-OECD increase.

Depending on inventory draw-downs, demand for Opec oil could be as high as 20.6m b/d in the first quarter, the IEA calculates.

### Oil share prices ahead of assets

BY IAN HARGREAVES

APART FROM Britoil, the share prices of UK oil companies are running well ahead of the underlying value of the companies' assets, according to a report by stockbrokers James Capel.

Britoil's "foundational value" - mainly the value of its proven oil and gas reserves - comes out at £1.50 per share, against a share price late last week of £2.26.

By contrast, the foundation value of a company like Charterhall, which has interests in the North Sea and onshore, is running at only 28p a share, compared with a market valuation of 81p per share.

Even after adjustment for more determined factors, such as the quality of management and the location of reserves, Capel's conclusion is that Charterhall's share price is well beyond the point justified by the company's asset value.

On this same "adjusted" basis, however, most of the other companies have asset values and share prices reasonably in line with each other.

Britoil is again the exception, since the report assesses its foundation value at the same level as its adjusted value. The asset value calculations

are a feature of a seven volume publication - the UK upstream petroleum database, launched today by James Capel.

The computerised service will be updated twice a year, with more frequent updates for the exploration section.

Mr Martin Lovegrove, whose consultancy ML Petroleum Services was taken over by Capel last year, and who now works for the stockbroker, said the venture was an attempt "to provide an industry-based approach to the subject at a time of increasing corporate activity in the North Sea."

### Tetra-Pak to expand Welsh operation

TETRA-PAK UK, the drinks carton manufacturer, is to double the capacity of its operation at Wrexham, North Wales, with a £10m investment which will raise its capacity from 1.8bn to 3.5bn cartons a year.

The company is part of the Swedish-owned Tetra-Pak International, which produces about 33bn soft drinks and milk cartons a year throughout the world.

Mr Bertil Hagman, chairman of the UK subsidiary, said the expansion would add about another 100 employees to the existing 280-strong workforce in North Wales.

The company's sales in the UK and Ireland were worth £57m in 1983.

MANAGEMENT at the JCB excavator factory near Uttoxeter, Staffordshire, has carried out its threat to close the factory after workers refused to call off an overtime ban.

The company has released no official statement about the shutdown but has told 1,000 production workers not to turn up for work today.

Members of the General and Municipal Boilermakers' Union have operated the overtime ban for at least three weeks in protest against a planned £7.50-a-week pay rise.

ARROW AIR, a small independent U.S. airline, wants to offer cut price fares this summer on its route from Tampa, Florida, to Gatwick, London. It has applied for fares of £215 single and £314 advance purchase excursion return.

These fares would be about 10 per cent lower than typical fares between London and Miami.

SIGNS of a trend towards long-term pay settlements appear to have "almost entirely petered out," according to Incomes Data Services, the independent pay research organisation.

Predictions that the trickle of long-term settlements which began to emerge towards the end of 1982 would turn into a flood have proved unfounded, says IDS in its half-yearly review of pay deals. There is only one new two-year settlement in the review.

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UK NEWS

# Licences for cable television to be delayed

BY GUY DE JONQUIERES

THE GOVERNMENT has told the 11 consortia to which it has offered interim franchises for multi-channel cable television systems that a legal snag will prevent it from granting them firm licences until late this summer, nine months later than originally planned.

The unexpected delay has caused confusion and uncertainty among the consortia, which were offered the franchises last December so that they could start work on cable systems before the Cable Television Bill received royal assent later this year.

Several of the companies hope to launch television entertainment services late this year or early next year. But now they fear that they may have to postpone their starting dates. That would be a setback to the Government's efforts to keep up momentum in the cable industry.

Several of the consortia are considering making a joint approach to the Government, asking it to seek a way round the obstacle. However, the view in Whitehall is that the Government has little room for manoeuvre.

Mr Leon Brittan, the Home Secretary, told the House of Commons last June that he hoped to grant the interim licences by November. But the Government has since concluded that it will not have the legal authority to issue them until the new Telecommunications Bill comes into force in July or August.

Instead, it has offered the consortia, which were chosen from a list of 37 applicants, either letters of intent promising them licences after the Bill is improved, or provisional licences issued under the existing 1981 Telecommunications Act.

Some of the consortia say it might be difficult to raise funds to build their systems - expected to cost as much as £30m each - until they know the details of their licences. These, however, may depend on the form in which the new Telecommunications and Cable Bills are passed by Parliament.

"Our institutional shareholders are very much against drawing down share capital until they get something firmer than a letter of intent," Mr Patrick Scott of Aberdeen Cable Services said yesterday. The consortium's members include the ICFC, Aberdeen Trust and American TV and Communications.

Mr Bill Nixon, of Merseyside Cablevision, said his group wanted to start placing orders for cable equipment by Easter. But if no way of overcoming the licence delay was found within the next fortnight, his group would be unable to start its service next January as planned.

Westminster Cable also doubts whether the Government's current proposals will be enough to secure financial backing. "It is not clear to me now what has been gained by the whole frenetic business of the interim franchises," said Mr Michael Storey, its managing director.

But several other franchise groups, including Clyde Cablevision, Ulster Cablevision, Swindon Cable Services, Coventry Cable and Rediffusion said the licence delay was not expected to have any immediate impact on their plans.

The Cable Television Association, the principal industry organisation, said the consortia were likely to be affected in different ways, depending on when they planned to start operations, their shareholders and their financing arrangements.

# Competition urged in defence sector

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

SAVINGS of up to 20 per cent in the annual defence budget could be achieved if the Government contracted out activities traditionally supplied by the armed forces, and if it introduced more competition and fixed price contracts into the defence sector.

Dr Keith Hartley, a leading defence analyst, argues in the latest issue of Economic Affairs issued today that savings of up to £1.8bn a year could be achieved in the current budget if such methods were also applied to defence research and development, and to production, repair and training elements of the defence budget.

Dr Hartley argues that Britain will face major defence choices in the 1980s. With rising weapons costs and a limited budget, it will not be able to meet all its military commitments.

Faced with this prospect, he argues, Britain has limited options. It can choose to cut back on social services to be able to afford increased defence spending, or it can

sacrifice efficiency in the armed forces.

But the Government would need to do none of these things if it sought lower cost methods of acquiring weapons and defence services, including more privatisation as well as more contracting out.

Dr Hartley notes that State support for British defence contractors has created non-competitive markets.

The military armed forces are over-protected, Dr Hartley argues. He says that many support roles could be contracted out to the private sector, while the Government's aim should be to create a market in which foreign and UK firms were rivals for fixed price contracts.

Such policies would encounter "massive opposition" from established interest groups complaining about the loss of jobs or advanced technology, but while "such arguments seem persuasive they are usually lacking in economic analysis and empirical evidence", Dr Hartley suggests.

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Mr. R. Goldie, Glasgow  
"The decision must be individual as anything else strikes at the basic right to freedom of choice."



Ms. Margaret Turison, London  
"I think people should be left alone to decide what they want to do with their hard-earned money."



Mr. A. L. Duff, Manchester  
"As a non-smoker, which is my own choice, I think that people should have the right to smoke or not based on freedom of choice - not the will of the Government."



Ms. K. Seville, Oldham  
"As a British citizen, I feel that the decision should be my own - not dictated by financial reasons imposed on me by the Government of the day."



Ms. Karen Brown, Bury  
"It is up to the individual if he or she would like to smoke. Tax is high enough to begin with. So why does the Government keep constantly putting the tax up?"



Ms. Anne Rowe, Camberley  
"The right to smoke or not is up to the individual."



Ms. C. Wood, Kilmalcolm  
"It is unfair to have such a high taxation on cigarettes... when other luxury-class items are taxed at 15%."



Mr. J. Parker, Sevenoaks  
"I am a non-smoker, but accept that other people should have the choice to smoke or not. The idea of taxing that choice out of existence is unfair and undemocratic."



Mr. D. A. Martin, Hockley  
"The tax on tobacco is in my opinion a most unfair revenue raised and steps should be taken to reduce the rate."

# 9 out of 10\* people wish to be free to decide whether they will smoke or not.

## Unfair taxation is taking that freedom away.

Even though they might not be smokers, ordinary people want to be free to decide about smoking for themselves.

The taxes on cigarettes are unfair compared with most other products. Excessive tax means that smoking is being put out of the reach of many people, and the decision is no longer theirs.

A recent poll\* conducted by NOP Market Research

\*NOP Market Research Ltd., July-Nov. 1983

showed that 9 out of 10 people felt that smoking was a matter for personal choice.

The tax burden falls upon everyone, but the smoker is paying more than his fair share.

Even 43% of non-smokers agree that the tax on cigarettes is already too high.

For people who want to decide for themselves, the time has come to say, 'Enough is Enough.'



ISSUED BY THE TOBACCO ADVISORY COUNCIL: SPEAKING UP FOR SMOKERS  
Glen House, Stag Place, London SW1E 5AG

UK NEWS

Second mining union moves towards pay deal with coal board

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE 45,000-strong National Association of Colliery Overmen, Deputies and Shiftfitters (Nacods) has told the National Coal Board (NCB) that it will accept a pay deal worth the same in cash terms as the board's present offer but revised to give more on basic and less on overtime pay.

Kenneth Gooding on the shy man who leads a Japanese advance in the UK

Paving the way for Nissan

MROCTAV BOTNAR, chairman of Nissan UK, has had a profound influence on the British motor trade. If Nissan goes ahead with the car manufacturing plant in the UK announced last week, he will have helped to change the face of the whole British motor industry.

Ivory, a 40-room mansion standing in 50 acres of its own grounds, into a centre for "children and young people and all who are concerned with their wellbeing." The centre, at Cowfold, Sussex, began its work in June 1981.

'My contract with Nissan goes on forever. The problem is that I won't go on forever.'

organisation there. Mr Botnar does not relish the idea of employing permanent bodyguards, as is the case with many other senior executives in the continental car companies.

that he arrived in Britain in 1967 after some years in the motor business in Germany. He was sent by NSU to reorganise the UK concession. By 1969 he had increased NSU sales from 1,500 to 10,000 a year.

BARCLAYS Technology THE TECHNOLOGY MARKETPLACE 21-25 February 1984 National Exhibition Centre, Birmingham, England.

WASHINGTON ELECTRIC To help Rayovac Micro Power (TM) Corporation (world leaders in micro-power batteries) establish their first manufacturing plant outside the United States...

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Call for joint action on office equipment

ABOUT 50 BRITISH office equipment manufacturers have been asked to explore possibilities for collaboration in a bid to combat competition from major international companies like IBM and Olivetti which dominate the UK market.

Change in tax relief boosts life business

LIFE ASSURANCE companies operating in the UK had one of their most successful years for decades last year, thanks to Miras, the Inland Revenue's new system of crediting tax relief on house mortgage interest.

AEGON U.S. \$50,000,000 AEGON N.V. (Incorporated with limited liability in The Netherlands) 11 7/8% Bonds due 1991 and Warrants to Subscribe

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Christopher Lorenz examines the controversy over management education in the U.S. and Europe

Business schools under siege

**HAROLD J. LEAVITT**, in-house scourge and conscience of America's top business schools, shoots from the hip: "Japanese managers are good — very good. American managers look bad, very bad — they seem humbling and inefficient. The Americans are business graduates, the Japanese are not. So the real source of America's industrial malaise must be the educators. The professors on those blasted business schools."

This is not quite Leavitt's own view of things, though he runs it pretty close. Dozen of several leading business schools, first Carnegie-Mellon and now Stanford—where he is professor of organisational behaviour and psychology—he is reporting an increasingly popular chain of reasoning which has come to pervade the American business world in the last few years, as a reaction to two decades of what might be called "MBA mania."

America is not alone in its scepticism. The 60 per cent

of top British companies which still deliberately choose not to recruit business graduates, and almost never to sponsor their studies (according to a recent survey by Harbridge House\*) have a decidedly similar attitude. In effect they find the MBA (Master of Business Administration) to be: financially greedy; a misfit, all too likely to leave for greener pastures; too Americanised and over-theoretical; and, altogether, not particularly masterly.

In the U.S., the catalogue of woes allegedly extends to: over-reliance on quantitative analysis; obsession with short-term corporate performance, to the detriment of long-term goals; neglect of the practical skills needed to implement

decisions, especially in line management; bureaucratic-mindedness; and inability to think or act entrepreneurially; the almost complete absence of "leadership" skills; ignorance of technology, the international business environment, and many other "key factors"; and, altogether, a lack of the practical wherewithal to help run a real-life business.

Given that the U.S. education system produced over 60,000 MBAs in 1983, a good 15 times as many as in 1980, and that—in contrast with Britain—almost every self-respecting American company has until now always been happy to pay through the nose to recruit MBAs, this is quite some indictment.

Not that the professors have taken it lying down. At one extreme, some have dismissed much of it as anti-intellectual nonsense, though agreeing that some of the lesser schools could well be shut out of business (500 institutions in the U.S. now offer MBA courses).

At the other, academics have often fallen back on the obvious retort: that, though business schools can try to lead opinion in new directions, they will inevitably reflect many of the attitudes and standards of the world around them—be it America's general obsession with quanti-

fication, or the short-term orientation of investors and financial managers.

After the initial thrusts and parries of the past few years a more constructive debate is now emerging on both sides of the Atlantic about whether and how the business schools should and could mend their ways.

On an elevated plane (see this page on January 30) there has been a revival of the old, near-philosophical debate about whether it is actually possible to teach the practical process of management, as distinct from the intellectual concepts of

business analysis (hence the very real distinction between management schools, of which there are few, and business schools).

On a more down-to-earth level, business academics have started to produce far-reaching proposals for change: the latest, by two associate deans from the University of North Carolina, appears in the current issue of the Harvard Business Review\*\*; among its many suggestions are that business school research should be made more practical.

But all is not talk. Several leading institutions have already responded with action. Professor Leavitt's Stanford which, with Chicago, has borne much of the

criticism for being over-quantitative, has introduced courses in several aspects of "implementation," as well as on such qualitative themes as "power aspects of management," "excellence," and "creativity."

Having led the way with the re-establishment of courses in the management of production, Harvard has also appointed professors in several of the "softer" aspects of management, notably leadership, entrepreneurship, government relations, and ethics and social responsibility. In Britain, several schools are moving well away from U.S. practice. Manchester is embracing many of the attributes of non-academic "action

learning," for example, while Philip Sadler, principal of Ashridge, is advocating "life-long learning" programmes in place of the U.S. "one-shot" MBA approach.

Yet confusion remains about the purpose and practice of business schools, prompting academics to add new facets to what will obviously be a long-running debate. The articles below examine two of the latest and most useful contributions: from the principal of Henley-The Management College, the oldest business school in Europe, and Leavitt's own diagnosis, which is proving highly influential on both sides of the Atlantic.

\* Management training in large UK business organisations; by Kate Asher; Harbridge House Europe, 3 Hancock Square, London W1R 9RD (01-629 6341); £12.

\*\* Are business schools doing their job? by Behrman & Levin; HBR January-February 1983; reprint No 8410L. From Harvard Business Review, Boston MA 02163, USA.

How West Germany and Japan educate their budding executives

**TOM KEMPNER** has had quite enough of the popular wisecrack that the industrial weakness of the U.S. and Britain is the fault of their business schools, whereas the strength of Japan and (until recently) West Germany results from the fortunate absence of these iniquitous institutions in the two countries.

"British managers are not having the hell knocked out of them by amateurs, but by professionals," snaps Professor Kempner. This professionalisation consists not just of a host of practical skills which have been learned on the job, but all the benefits of a business education—notably the ability to think rigorously about all the complexities of doing business today.

The principal of Henley has not only ceased to be amused by the joke about Anglo-Saxon business schools; he also contests its base in fact. He agrees with Professor James Ball, his counterpart at the London Business School (LBS), that Germany and Japan "make an enormous educational effort in preparing people for entry into business." It's just that the Germans and Japanese prefer to do so at undergraduate level, and then follow up directly with internal company training programmes.

In other words, the prime reason why business schools are so necessary in the U.S. and UK is that undergraduate education in business studies is so rare. One might well add a secondary factor, that in-company training often also falls short.

**Complaints**

Writing in the newly-published winter edition of the Journal of General Management\*, Professor Kempner argues that "given the length and thoroughness of German undergraduate degrees, it is not surprising that MBAs have not been needed." One of the most popular courses, Betriebswirtschaft (business economics) can last up to six years. Many engineering students also spend the final two years of their long six-year course studying business administration, stresses Professor John Stopford of LBS, who frequently teaches in Germany.

Countering widespread complaints that Anglo-Saxon business schools are too theoretical, Kempner points out that German undergraduate business education is intentionally strong on theory.

It's a similar story in Japan, according to Kempner. Not only does a remarkably high proportion of the population go to uni-

versity, but the management or "skill content" of the many in-company programmes attended by budding and rising Japanese managers "is similar to business courses in the west."

In Britain, by contrast, just a tiny proportion of school-leavers goes on to further education, so "the solid foundations of substantial numbers of undergraduates and postgraduates are missing." Not only does Britain award only about 3,000 undergraduate business degrees a year, at universities, polytechnics, technical colleges and elsewhere, but unlike the U.S. it then compounds the problem by sending only a few people to postgraduate business schools.

The current annual output of barely 1,000 full-time MBAs has hardly changed since the early days of British business education in 1970, says Kempner; the British total has actually fallen, with well over a third of the graduates now coming from abroad. The recent launch of part-time masters courses has restored the total, but Kempner fears that the quality of some of them may fall short on the other hand, critics of business schools argue that they may prove more relevant to practising managers.

Faced with similar problems in undergraduate education, why have the U.S. and the UK



Harold Leavitt: teaching people 'to listen to their guts'

"PATHFINDING," "problem-solving" and "implementation" are the three essential elements of management. Companies and business schools have been obsessed with problem-solving—the most analytical piece of the jigsaw—for most of this century, though they have at last begun to pay attention to the third.

But pathfinding, which is one of the keys to Japan's industrial success, remains "the orphan of Western management and management education."

This, in essence, is Professor Harold Leavitt's challenging critique of Anglo-Saxon management, and of American and British business schools. "We profess to be schools of management," he complains, "but what we actually are is just schools of financial analysis and analytical problem solving. We need to do much more."

Problem-solving ("analysis, thought and reason") still represents almost the entire effort of many business schools, according to Leavitt: he estimates that about four-fifths of the MBA curriculum in top American schools is concerned with it in one way or another.

Implementation ("acting, changing, doing") has attracted growing attention since the late

1970s in response to the clamour for business education to be made more relevant to practical issues in fields like production.

But pathfinding ("mission, innovation and vision") has been not only entirely neglected, he says, but actively fought by the problem-solvers and implementers.

**Analysis**

Leavitt's trenchant view of America's shortcomings goes much further than most of the recent attacks on U.S. managers and business education. It not only focuses on the difficulties of linking the middle and last elements of his management "model," analysis and implementation, but also gets to grips with the widespread absence of pathfinding (in Leavitt's terminology this overlaps with part, though not all, of what others call "leadership").

Describing the role as "proactive" rather than "reactive" (the nature of problem-solving), he likens it to the function of an architect in the construction process. Such people "don't try to forecast the future, they try to create it," he argues.

Leavitt distinguishes pathfinding from leadership. One

form of leadership—often called "transactional"—is concerned with getting people to implement things. It is, he says, dealt with by social psychologists as a set of functions and processes, rather than as traits and attitudes. But another form of leadership—"transformational"—is one of the pathfinding skills.

But can this imprecise concept be taught at a business school or anywhere else?

At a public presentation of his views in the London Business School's series of Stockton Lectures last year, Leavitt largely ducked the question. He has subsequently pointed to various developments in cognitive psychology as pointing the way forward, and is himself trying to teach it as part of his course at Stanford on "implementing change"—one of the most fashionable subjects in the U.S. at present, but which is usually taught mainly in terms of processes rather than vision. Leavitt crystallises the distinction by saying: "I'm teaching people to listen to their guts—to treat the subjectives as relevant data."

\* Reprinted in Vol. 8, No. 1 of the London Business School Journal.

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TECHNOLOGY

EDITED BY ALAN CANE

NOVEL OFFICE WIRING SYSTEM

Flat cables for the long run

BY GEOFFREY CHARLISH

POWER, TELEPHONE and data cables can be taken under the carpet to work stations in open plan offices at low cost and with no office disruption using a flat cabling system called Versa-Track from the U.S.-based company Thomas and Betts.

The original idea arose in the Nasa Apollo moon landing programme in order to conserve space and has already been commercially exploited in the U.S. Its introduction in the UK is timely because increasing numbers of companies are being forced to reorganise their office cabling to cope with an influx of word processors, personal computers and other office electronic units.

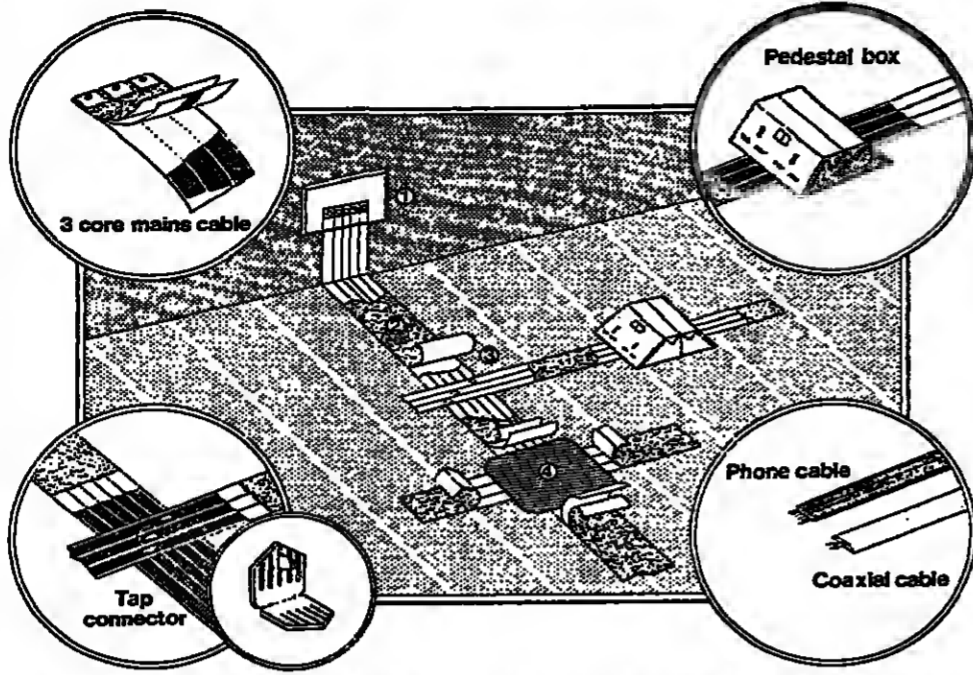
Underfloor ducting may exist but is in fixed positions, so that optimised workstation layout may not be possible. Often, such

Most installation will be in existing buildings

ducting is full up, so the prospect arises of vacating the office while floors are chased out and new ducting is installed. Later, if the desk layout has to be changed, trailing lengths of both mains and signal cable can start to appear.

Versa-Track is only 0.034 in thick and produces no perceptible "hump" when laid. Carpet tiles are recommended since they too can be easily taken up and re-arranged.

The main cable consists of three thin, spaced, copper strips about 0.75 inches wide enclosed on each side by laminated polyester strips covering the full width of about three inches. Under the cable is a further plastic strip to protect it from floor grit or other imperfections and above is a full-width copper shielding strip which is welded to the central earth conductor at intervals.



All the supplies for office workstations can go under the carpet in this new flat cable system from Thomas and Betts. Mains cable (2) is taken from conventional wall boxes (1) and junctions (3) are made in minutes, covered by insulating cover (4). Insets show other cable types and components

The complete sandwich comes off a reel to simplify laying and reduce installation time.

The signal coaxial cable is about 0.085 inches diameter and is moulded within a plastic strip 0.5 inch wide. It is manufactured in 50, 75 and 93 ohm characteristic impedance and although more lossy than normal full size cable, can give satisfactory results in lengths up to 200 feet.

Of equally low profile, the telephone cable is made with either three or 25 pairs; the former is about 0.25 inch wide. Any combination of the cables can be laid in adjacent

runs and then protected against sharp edged impacts from above by means of a thin mild steel strip. The whole is fixed in position on the floor with heavy duty tape.

Versa-Track is Underwriters' Laboratory (UL) listed and has also gained all important BBA (British Board of Agreement) approval. It can also be installed in accordance with the 15th edition of the Wiring Regulations of the Institution of Electrical Engineers.

A system of connections has been developed for Versa-Track mains cable. Changes of direction of the run are achieved

simply by folding the cable into the new direction. "T" junctions are also possible by drilling holes in the crossed cables and inserting crimping plates to give sound electrical connections using a band crimping tool. The joint area is then covered with an insulating plate.

Similarly, drilled end plates are crimped to the cut end of the cable and are used to make connections to three terminals in a wall box that is part of an existing conventional ring main or similar circuit. The cable is connected in a similar fashion to pedestal

boxes screwed to the floor which house normal three pin mains sockets, placed as near as possible to the equipment they are powering.

Some remarkable time and cost savings are claimed for Versa-Track. Starting from scratch, a complete, average office can be cabled up for about 60 per cent of the cost of a conventional ducting approach (and the latter cannot easily be modified). It takes about five minutes to add a branch circuit to an existing layout.

The company expects that most Versa-Track installations will be in existing office buildings where managers are faced with installing local area networks for example (rings of cable that connect up personal

Work can be carried out in two days.

computing and word processing workstations). Versa-Track could allow such work to be carried out in two days rather than two weeks, claims the company, and office work can continue while installation proceeds.

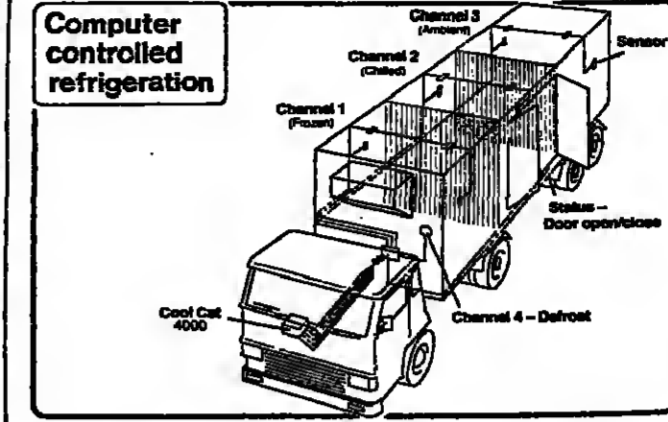
But the system also has advantages in new building work. Conventionally, after the electricians have laid conduit and trunking, a screed of several inches of concrete is used to cover and produce the final floor level. This is obviated with the new cabling system.

The cross sectional area of each of the power conductors is 5.5 sq mm and the company rates them at 30 amps. The voltage rating is 500 volts.

Thomas and Betts has had a distribution network for its products for many years and this will be selectively used for Versa-Track. More on 0582 587271.

Refrigeration

How food lorries keep their cool



PRECISE INFORMATION about the temperature at various points inside articulated vehicles carrying frozen food can be obtained in the driver's cab using new computer-based equipment from Systematic Micro of Ascot.

The first systems are on trial with UK frozen food distributor Christian Salvesen which owns about 400 of the 20,000 articulated refrigerated lorries in the UK. There is a potential market of a further 100,000 vehicles in Europe and at least as many in the U.S.

The development is important because until now drivers of such vehicles have had no clear idea of the temperature history of the food they have been carrying.

Most customers demand that frozen food be at -18 deg C or below on delivery, and according to Alistair Robb, senior food technologist at Salvesen, it has not always been possible to guarantee even that. Consequently, whole loads have been rejected by customers at costs ranging from £30,000 to £80,000.

If a lorry makes too many delivery drops per run, the heat ingress due to opening the doors means that it could take three hours to get back down to -18 deg C. A limit of six drops per run was therefore imposed.

But Salvesen had to uncover these problems the hard way with expensive recording thermometers. There was a clear need for the driver to have comprehensive knowledge about the trailer temperatures, in his cab.

So in conjunction with Systematic Micro, a system called

Cool Cat was developed, in which in almost unlimited number of semiconductor temperature sensors can be placed around and if desired, within the load of food.

They can be wired into eight channels, allowing discrete temperature areas of the trailer (for example, deep frozen, chilled and ambient) to be monitored. The sensor outputs of each channel are averaged and the results shown to an accuracy of plus or minus 0.5 deg. C. The driver's cab unit is about the size of a car radio and is easy to use, having only display showing channel number and temperature, printer paper output slot and three or four controls.

A separate portable unit with a simple keypad is used to program the cab micro with information such as delivery and driver number, vehicle number, the data storage interval, and upper/lower temperature limits. Out-of-limit temperatures are signalled to the driver.

The system can if desired record other events such as each opening of a door. In addition, it is capable of controlling the refrigeration plant on the trailer.

Readings obtained over a period of time can be printed out on the integral printer or extracted for computer analysis. Managing director of Systematic Micro, Robin Cairns, believes there will also be a market for Cool Cat in smaller delivery vehicles making more frequent drops of frozen foods, and in fixed frozen food depots.

The approximate price for equipping a 32 tonne articulated vehicle is under £1,000. More information on 0950 23377. BY GEOFFREY CHARLISH

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Paging Message bleeper

A NEW paging service has started in London in which radio signals carry a two-line message of up to 80 characters to a small box of electronics that is portable.

Digital Paging Systems of North London offers the service for a daily rental of around £1 for each pager. Conventional paging equipment sends only a beep-to-alert someone, for example, to dial a specific telephone number—or transmits just a few words of text.

The company crams the information into a stream of digital signals that takes just over two seconds to transmit.

Digital Paging, which uses hardware made by Motorola, says it wants to extend the new service to other parts of the country.

Photography

Instant slides

POLAROID has launched a instant 35 mm slide system which costs about £100. The company says that it can take only a few minutes to produce colour or black and white slide.

A new range of instant 35 mm films has been introduced with the processing system which comprises a manual processor, slide mounter and mounts.

Uses of the system include industrial, business, medical computer graphics as well as the more advanced amateur. The processor can process films in less than three minutes. More information from Polaroid on St Albans 59191.

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Security Speaking alarms

A MICROPROCESSOR-controlled unit from Kalamit of Slough will automatically dial phone numbers and "speak" alarm messages when activated by fire, intrusion or other detectors.

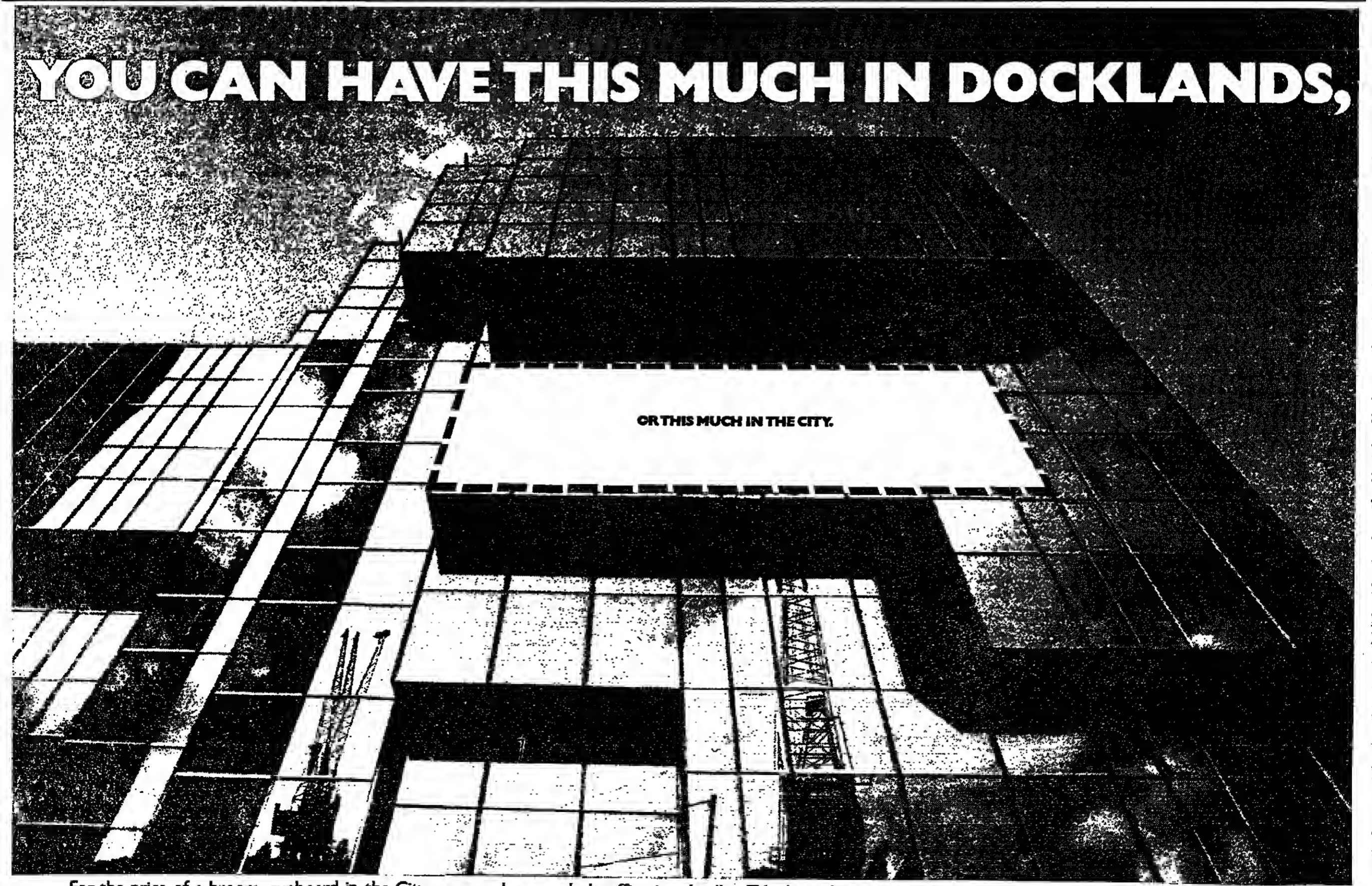
The device remembers any two phone numbers programmed

into it and these can be changed at will. In the event of an emergency the system will dial the first number and if it gets an answer within one minute will give a spoken alarm message.

If the first number is engaged or unobtainable the unit tries the other and will pass the same

alarm message. It will also talk to the user when he is setting it up, and will "chout" fire or intrusion alarm messages.

Kalamit says that this is the first system of its kind to obtain British Telecom approval for connection to the phone network.



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THE ARTS

The Mastersingers of Nuremberg/Coliseum

Max Loppert

The first English National Opera Mastersingers, brought from Sadler's Wells to launch the Coliseum establishment in 1983...



Graham Clark and Kenneth Woollam

For initial impressions were of a lively, highly intelligent, yet dignified and often unsatisfying account of the great work...

German baroque interior high, wide and airy, but the street scene (with a perched linden tree and Sachs apparently quartered in a shoe-cupboard)...

German baroque interior high, wide and airy, but the street scene (with a perched linden tree and Sachs apparently quartered in a shoe-cupboard)...

The comedy is also somewhat diminished because Graham Clark's David, so natural and pleasing at Bayreuth, has become bumptious...

Architecture/Colin Amery

Picturesque preoccupations



House at Somerton, Somerset, by Stout and Litchfield

They call it "Romantic Pragmatism" which seems like a contradiction in terms. It is the latest label for an architectural style that is the subject of an exhibition at the Warwick Arts Trust...

single out the natural concerns of any architect and embellish them with meaningless titles to make it appear as though they are all doing something exceptional...

Vertical text on the far left margin, partially cut off: 'Total capability...', 'Construction...', 'Photography...', 'Instant slides...'

Ravel & Varèse/Festival Hall

David Murray

The London Sinfonietta's Ravel/Varèse Festival ends on Friday in an amiable glow, with a brave staging of Ravel's "comédie musicale" L'Heure espagnole in an unlikely place...

It is an extraordinary initiative, and one that puts the National Theatre to shame: Greenwich is playing host to a three-play season under the direction of Philip Prowse...

The White Devil/Greenwich

Michael Coveney



Rupert Everett and Ann Mitchell

frontal Brachiano is discovered vomiting all over the guests. Julia's agonized, fascinating, and terrifyingly beautiful Victoria, who could have been painted by Burne Jones or at least Alma-Tadema...

It was a choral week-end. At the Barbican on Friday night, the BBC Symphony Orchestra with the BBC Singers under their chief guest conductor Günter Wand gave rarely-performed, early sacred Mozart and middle-period sacred Beethoven...

Mozart, Beethoven, Elgar

Dominic Gill

Two substantial choral works in one programme, even so contrasted, makes better sense in practical than in musical terms. After radiant early Mozart, later orchestral Mozart or Haydn might have seemed apter. Even so, it was good to hear again Beethoven's C major Mass...

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

PARIS

Georges Friedemann, piano; Schumann, Ravel (Mon), Cité Universitaire, 21 Bd Jourdan (589 3699)
Alicia de Larrocha, piano; Bach, Mozart, Granados (Mon), Salle Pleyel (533 8877)

LONDON

London Philharmonic Orchestra conducted by Klaus Tennstedt with Alexander Schradl, piano, Mozart, Beethoven and Brahms Royal Festival Hall (Mon), (533 5131)

February 3-9

Berlin Chamber Orchestra GDR directed by Gidon Siskind with Doro Alexey, piano, Mozart, Bach and Britten, Barbican Hall (Mon), (538 8991)
London Symphony Orchestra conducted by Eduardo Mata and George Lloyd with Kathryn Scott, piano, Walton, George Lloyd Piano Concerto No 4 (first performance), Vaughan Williams, Royal Festival Hall (Tue)
Royal Philharmonic Orchestra conducted by Antal Dorati with Young-Uck Kim, violin, Yo Yu Ma, cello and Emanuel Ax, piano, Haydn and Beethoven, Royal Festival Hall (Wed)

Paintings at First Hand/Rotterdam and Brunswick

Rob van Mesdag

Why, and by whom, oil sketches were made when preparing for large paintings or tapestries from the 16th to the 19th century is the subject of this exhibition which is moving to Brunswick, West Germany, after a run in Rotterdam...

Whitehall, possibly a commission from King Charles I. The sketch shows two women, personifying England and Scotland, placing a crown on a naked boy between them...
The exhibition will open on Saturday, and continue until April 1, at the Herzog Anton Ulrich Museum in Brunswick.
When Peter Paul Rubens was commissioned in 1620 to provide 39 paintings for the Jesuits' Church in Antwerp, a contract was drawn up, stipulating that he was to produce the sketches, while allowing the actual paintings to be executed by artists in his workshop.

The Dance of Death/Oxford Playhouse

B. A. Young

This new version of Strindberg's play by Ted Whitehead attacks the near-impossible job of explaining the antipathy between the Captain and his wife Alice...

married this vulgar officer because she wanted "to get on in society." But then both she and her husband are such indefatigable liars we needn't take anything too seriously, except their hatred for one another.
David Collings as Kurt, the social catalyst from their old days, is a smooth young man whom one can hardly credit with his own ten years of unhappy marriage. Strindberg didn't offer him much of a character but he need not be quite so neutral as Mr Collings makes him.

FINANCIAL TIMES

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Monday February 6 1984

Argentina and its creditors

THE COMPLETION of Brazil's \$28bn rescheduling package for 1984 has provided only temporary relief from the continuing problem of developing country debt. The spotlight is now shifting to Argentina which has already notched up about \$3bn of arrears on its \$43.6bn of foreign debt.

In Argentina's case the numbers are no less daunting than those of other Latin American debtors. Sr Bernardo Grinspun, the Economy Minister, has forecast a trade surplus of only \$3.5bn this year, not nearly enough to meet debt service requirements of some \$20bn. The balance will have to be found through a combination of rescheduling and fresh loans.

Conditional promise But the Government of President Raul Alfonsín finds itself in a relatively strong position vis-à-vis its foreign creditors. Banks have been reminded of the need to nurture Argentina's fledgling democracy by the acute interest being shown in its economic problems by the U.S. authorities. Unlike Brazil and Mexico, Argentina is also self-sufficient in food and energy. Indeed its grain exports yield such handsome returns in foreign exchange that it would have no need for fresh international credit at all, were it not for the huge overhang of existing debt.

Digging in at Cheltenham

THE GOVERNMENT'S handling of the Cheltenham affair is not a resigning matter, nor, for the present, is it anything like it. But it does seem to be a remarkable example of ineptitude.

Personal critics Yet its approach has been less than convincing. First of all, Sir Geoffrey Howe, the Foreign Secretary, made an almost unreserved statement in the Commons that membership at Cheltenham was to be banned. Then, in a television interview, he appeared to be ignorant of a written parliamentary question on the subject.

Positive vetting It is possible that the Prime Minister and the Foreign Secretary will succeed in steamrolling through their intentions but they should bear in mind the thought that they might end up with the worst of both worlds: no agreement with the staff by March 1 and therefore no assurance of the smooth and continuous running of the monitoring machine. It would not be easy to find new staff at the drop of a hat, given the need for positive vetting and specialist qualifications.

There is also the press which knows a good story when it sees it and has not let this one drop. Not least, there are the unions which suddenly find that they have a sympathetic cause on

Kenneth Gooding, Motor Industry Correspondent, looks at the prospects for privatising parts of BL

Jaguar: the first one on the list for 'sale'



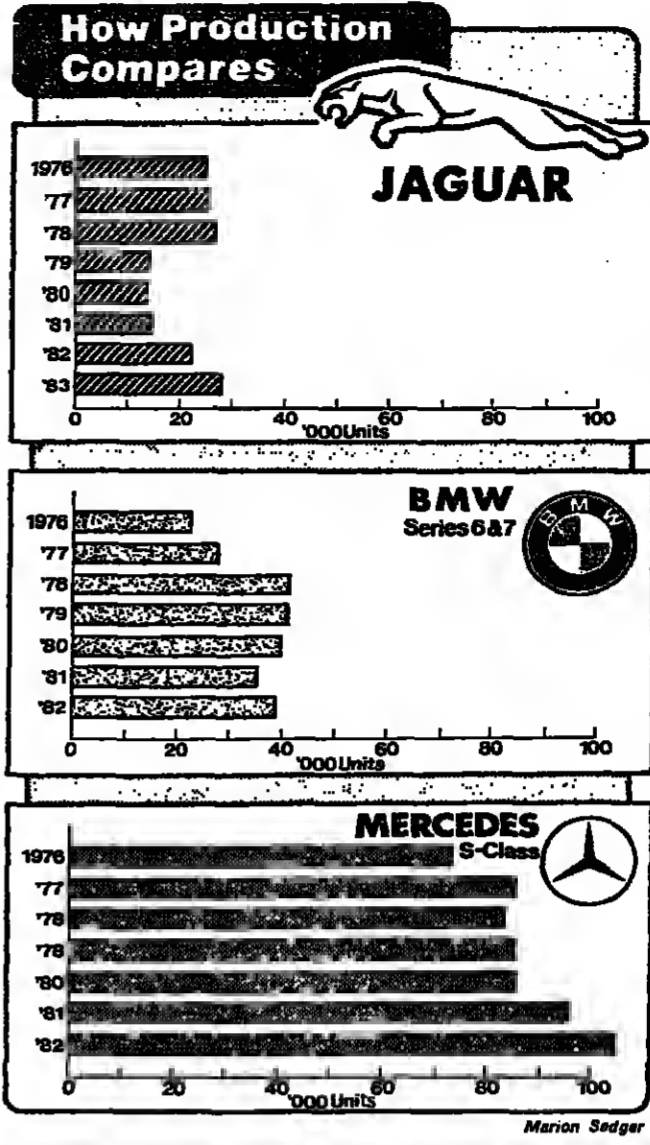
Key figures in the story: John Egan, chairman of Jaguar (left) and Sir Austin Bide, chairman of BL.

The XJ40 is simpler and cheaper to produce than the XJ6 and its introduction will have the effect of lifting Jaguar's nominal capacity to 45,000 a year. Yet by the time Jaguar reaches that output its two major competitors, BMW and Mercedes, will be producing 500,000 cars a year each.

Yet only two years ago Jaguar was losing money heavily and it has absorbed £100m of the £230m which the Government has given BL. Indeed Mr Egan's first job was to decide whether Jaguar should be salvaged at all.

looks puny compared with BMW's investment in fixed assets alone of over DM 1.25bn or £300m a year.

There are also doubts about Jaguar's ability to finance its investment programme on its own. Mr Egan says Jaguar has had no government aid for more than a year and he insists that the company is earning enough to cover not only its spending on research, development and capital equipment (about £40m in 1983) but also future investment needs.



How Production Compares. Source: Jaguar, BMW and Mercedes.

BL is adamant that it is not considering the sale of Jaguar because of ideological pressure from the Government and if it can keep its feet on the ground I feel certain it can survive on its own," says Sir William.

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Two years ago it was still suffering huge losses, its market share on the Continent and at home was on the decline and it had withdrawn from North America.

Helped by the rousing reception given to the Metro and the second British car market in 1983, which boosted its output, Austin Rover is on course to achieve its objective for 1984—to be approaching break-even at the pre-tax profits level.

Taking the most optimistic view of the products Austin Rover has in the pipeline, its chances for improving market share in the UK and on the Continent and for regaining a foothold in the U.S. is just conceivable that the company might be in a position in say five years time, where private investors could feel justified in putting money in.

That would take about five years and Austin Rover now knows that for the next five years at least there will not be a Nissan plant of any substance in Britain adding to the severity of competition in the UK market. The BL board seems convinced that, with the help of further co-operative ventures along the XJ lines to cut development costs, 750,000 cars a year would be a viable output.

There are omens which are not so good, however. The Maestro, introduced at this time last year, has so far failed to achieve the expected UK market share. It settled at an annual rate of 4.6 per cent. The fragility of Austin Rover's recovery on the Continent was also demonstrated in 1983 when Fiat's aggressive launch of its small car, the Uno, in Italy (the UK group's best Continental market) pushed back BL's share from 3.1 to 1.9 per cent.

Men & Matters

Moore's chair

Charles Moore, aged 27, settled speculation about the editorship of The Spectator yesterday by confirming to me that he has been appointed the next editor by the owner, oil tycoon Algy Cluff.

But the handing on of the editorial chair is to be a leisurely and gentlemanly process as befits the stylish political and literary weekly.

City limits

If the chairman of the 6,000 companies in the City of London, employing some 300,000 workers and paying £349m in rates this year, were more militant and less polite they would have taken to the streets by now chanting "No taxation without representation."

Now a new deal to enfranchise the companies is in the offing. On Thursday the Court of Common Council will consider increasing the electoral role by 6,000 names by giving a single vote to every incorporated body paying rates.

There would be one vote for each—whether it be a clearing bank in a glass palace or a corner shop.

Moore's chair

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"Don't shoot! They're probably French poultry imports in transit."

Observer

FOREIGN AFFAIRS: THE EEC

The suspense is killing

By Ian Davidson



President Mitterrand: talking optimistically

TO THE DETACHED observer of international affairs, there has rarely been such a fascinating... as we are now.

This may seem a hyperbolic description of the looming crisis facing the European Community, since there have been many crises in the past, full of sound and fury, which afterwards turned out to signify not very much.

One thing tells us that, this time, some of the member states, in different ways, may realise things are different.

Several things are at stake. Will the Community survive as a functioning entity? If so, will it merely continue to survive as an economic boxing ring...

It is at an impasse because free trade within the Common Market is far from perfect except for agriculture, and the agriculture policy is so ruinously expensive that it can no longer be afforded.

And it is at an institutional impasse because the Commission is finished as the policymaking motor of the Community, and not just because of the glaring inadequacies of Gaston Thorn and his colleagues.

Above all, it is at an impasse because the member states have been reluctant in the past to recognise that the Community is the only possible organism for the expression of Europe's independence from the superpowers.

None of these excuses will wash any longer. We all know that the time for the Community to get its act together, economically and politically, is long overdue.

Economically, there are so many indicators of Europe's need for a radical restructuring, that the time for the Community to get its act together, economically and politically, is long overdue.

For too long, the European nations have been content to be the welfare-state dependencies of America, while luxuriating in every opportunity to cavil at the crudity of American leadership.

death—but more of that famous old Common Market standby, Political Will, which in plain English means making up one's mind. But there is circumstantial evidence that it is the French who have had difficulty in doing just that.

Three weeks ago, Claude Cheysson, the French Foreign Minister, went to Strasbourg to inaugurate the new session of the European Parliament, and Europe was alerted to expect a major speech which would lay out the French government's ideas for resolving the Community crisis.

Some other governments, including the British, have expressed concern at this lethargic pace. The agenda facing the Community is so large and so technical that more multilateral preparation is needed to set things up for the summit.

vinced that Mrs Thatcher's lunchtime conversation was very satisfactory indeed. By the weekend, Mitterrand and Kohl were both talking optimistically, if cautiously, about progress on the Community's problems. And it does now appear that the French government has concluded that the key to unlock the negotiations is tighter control on Community spending in future, especially spending on agriculture which currently takes two thirds of the Community budget.

Moreover, they are quietly abandoning the proposition, which caused such shock when put forward by President Mitterrand at the Athens summit, that the "solution" to Britain's complaint about the budget should be limited to one or two years. Whether they have yet come to terms with Mrs Thatcher's demand for a very few days, probably by President Mitterrand himself, and this one will set out the government's ideas.

It is in terms of atmosphere, however, British officials are convinced that Mrs Thatcher's lunchtime conversation was very satisfactory indeed. By the weekend, Mitterrand and Kohl were both talking optimistically, if cautiously, about progress on the Community's problems.

Lombard Report improves on U.S. policy

By Samuel Brittan

THE ANNUAL reports of the U.S. Council of Economic Advisers, especially but not only since Prof Martin Feldstein became CEA chairman, are an object lesson, much needed in Europe, on what good economic presentation can achieve.

Prof Feldstein and his colleagues have taken a series of Reaganite policies, attitudes, bunces and prejudices and put them together into a strategy which otherwise would not exist. The exercise is not a cynical one. By suggesting what President Reagan's strategy would be if he had one, the CEA is able to exercise some influence, to test individual policies and suggestions, above all to impose some coherence on the deadpan data which tend to appear in other countries' official economic reports.

The Reagan strategy, as formulated by Feldstein, has four main planks: gradual reduction of monetary growth to a rate consistent with price stability; reduced government civilian spending; tax restructuring and deregulation.

The deregulation programme is basically bipartisan, having begun under President Carter. The present emphasis is on financial deregulation, which has made the money supply data difficult to interpret. This reinforces the CEA's stress on monetary control as a means of controlling nominal GDP, which is itself the means for reducing inflation in the longer term.

If institutional changes bring about significant and persistent inflation in velocity then the monetary targets can be adjusted without loss of face. This is a much better explanation of Fed chopping and changing than the Fed itself has ever given (The Friedmanite charge that monetary growth has been too slow since last July is effectively countered by a chart showing that M1 growth has been within its target range since the second quarter of 1983, which is surely the shortest period reasonable for monitoring purposes.)

The CEA also establishes a reasonable case that recent tax changes have shifted the U.S. towards an expenditure tax system which to some extent exempts savings and bears less heavily on marginal earnings. But the actual and prospective reduction in the total tax and social security burden since Carter is very slight; and even that looks distinctly premature in view of the deficit outlook.

Even the \$200bn deficit figure depends on an average annual growth rate of 4.3 per cent being achieved over 1983-89 and on U.S. interest rates dropping by 4 percentage points.

The one place where Feldstein soft-pedals slightly is in exactly how a persistent large structural deficit could reduce growth. His official emphasis is on the long-term consequences for investment and on the short-term possibilities of a limited recovery putting strain on productive capacity before 6 1/2 per cent unemployment is reached.

The most likely mechanism (also hinted at) is more direct. Once the foreign exchange rate and financial markets take fright at the heavy financial burden, the dollar could plunge and interest rates rocket—and contrary to received wisdom the two developments could coincide. Faced with the inflationary alarms which they would bring, there could easily be a slamming down of both the fiscal and monetary brakes, instead of the medium-term fiscal curbs which Feldstein would prefer. The process is known very well in Europe as "stop-go" or "stop-go". It may be too late to prevent it in the U.S.

Letters to the Editor

Why BA privatisation should not be rushed

From Mr B. O'Regan Sir—Mr Nicholas Ridley, the Secretary of State for Transport, announced in December that he was asking the chairman of the Civil Aviation Authority for advice on the implications for competition and for the sound development of the British Airways industry raised by the prospective privatisation of British Airways.

cannot be desirable without some reduction of its share of the market. The Secretary of State appears reluctant, as yet, to commit the Government on airport policy. It is difficult to see how either the British Airports Authority or British Airways can be properly valued if airport development is uncertain.

to be gained by an open process with a published time-table. The dates for privatisation can remain at the Secretary of State's option, but the processes and procedures are matters of public importance. A time-table should be published. If the Secretary of State is prepared to accept advice I would put the following matters very high in the list of priorities:

Misconceptions on acid rain

From Mr C. Rose, Sir—Your report (January 28) of Mr Ian MacGregor's comments about acid rain reveals two extraordinary misconceptions at the National Coal Board.

Lunacy to welcome Nissan

From Mr J. Henrich, Sir—We are in danger of being overtaken by the attentions of the Japanese and the lunacy to welcome Nissan's new assembly plant to the UK so readily.

benefits to the UK industry could reach \$3,000m by 1990—all of it paying for high technology jobs in the British defence industry. The argument cannot, therefore, be about British jobs or technology as the 75 British companies and the thousands of British workers currently active on the Harpoon programme are aware.

Secondly, Mr MacGregor implies that because the prevailing wind in Galloway (where many lakes are acidified) is from the south-west and not the industrialised south-east, industrial pollution cannot be to blame. Once again, the Warren Spring study shows that this is not so.

Access charges for AT & T telephone

From the senior vice-president, National Economic Research Associates Sir—The Financial Times (January 16) contains a statement by Miss Kim McKinley, chairman of the British Telecom Union Committee, to the effect that a survey of American Telephone and Telegraph in America shows that 20 per cent of all users could be forced to relinquish their telephones. I am the author of the only studies which American Telephone and Telegraph has done on access demand and I believe Miss McKinley's description of the results of those studies is incorrect.

Residential access charges for telephone service in the U.S. average somewhat below \$10 per household per month. If these access charges were set to cover the cost, they would be expected to rise by \$10-\$20 per household per month. The most recent analysis (which is based on 1980 data) which we have done suggests that a \$10 increase in access prices would be associated with about a 3.6 percentage point decline in subscription and a \$20 increase with about an 8.5 percentage point decline. This is far less than the 20 per cent drop-off to which Miss McKinley referred.

is well above the level necessary to cover cost. I should also note that my recent study suggests numerous ways high levels of penetration in the U.S. could be maintained while still achieving the efficiency gains associated with cost-based pricing. Increasing the availability of local measured service would increase penetration. Most consumers in the U.S. currently subscribe under a flat-rate access option (a single charge for monthly service regardless of local usage levels). And the dramatic increases in access charges described above, assume continuation of flat rate service. But if local measured service options were offered as well (wherein the consumer pays separately for access and for local calling), minimum access charges would not need to rise by as much as those described above.

Advertisement for The National Commercial Bank, featuring a balance sheet as of 29th Zul-Hijjah, 1403 H. (6th October, 1983). The ad includes financial data in Arabic and English, and lists the bank's management and auditors.



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Terry Byland on Wall Street Hospital stock in good health

THE BLOODLETTERING on Wall Street over the past fortnight has heightened the attractions of stocks which, by lagging behind in last year's bull market, are now proving better able to stand up to the current bear phase.

Capital goods issues continued to outperform the market, which did not mean a great deal, in a week which saw the Dow Jones Transportation Average fall by 10 per cent. Among the specialist sector, hospital management and health care issues resisted the general weakness of the market.

Of the four main companies in hospital management, Hospital Corporation of America and American Medical International (AMI) sustained only trifling losses last week, a favourable comparison with the 3.5 per cent wipe off the IBM market capitalisation, Humana and National Medical Enterprises, the other two major hospital companies, lost ground without seeing any of the almost panic dumping of stock only too noticeable in the industrial stock market sectors.

The hospital management groups badly underperformed the rest of the market in 1983. By the year end, the group showed a fall of 12.5 per cent in stock prices compared with the rise of 17.1 per cent on the Standard and Poor's 500 stock index.

The problems overhauling the sector were broadly twofold. Last year saw the introduction of the Prospective Payment System into the U.S. Medicare programmes.

Table with 4 columns: Stock Name, Price, % off, p/e. Includes AMI, Hosp. Corp., Humana, Nat. Med. Enterprises.

which represent about 40 per cent of hospital revenues. Prospective payment replaces the former cost plus payment system with a set rate of charges for 468 identified treatments.

The change brought uncertainty over future profits of the investor owned groups which was part of more general doubts over the political framework for Medicare. But the danger melted away when President Reagan's budget message contained no unpleasant shocks for the management companies.

The other factor undermining hospital management stocks last year was a decline in occupancy of hospital beds which began to turn higher again only in the last month of 1983.

Taken together, these doubts over future profits severely depressed earnings multiples in the hospital management companies. By the end of the year, the group was selling an average earnings multiple only 1.25 times that of the 11.5 p/e on the Standard and Poor's 500 stock index. In mid-1981, just before the recession struck, the sector was selling at nearly 2 1/2 times the Standard and Poor's p/e.

The sector has already started to respond to the reduction of worries about Medicare cuts, and to the perception that prospective payment, under which companies receive the agreed charge for treatment from the Federal Government without reference to costs, will actually benefit the efficient management groups.

A. G. Becker Paribas, in a study of prospects for 1984, predicts that earnings at the major companies will grow by around 20 per cent this year and that stock prices will rise towards mid-year as investors perceive the improved climate in which the companies are operating.

The group's average p/e multiple of 16 is already improving its relative level against the p/e multiple S & P 500, which is predicted at about 10 for this year.

Becker believes both Humana and National Medical Enterprises will match the 20 per cent growth target it sets for the whole group.

Humana is still tied to the acute care hospital management, and lacks the diversification into psychiatric, home care and general outpatient operations which are proving profitable for the industry.

National Medical, by contrast, has been outstandingly successful in such diversifications, so much so that only about a half of earnings now come from care management.

Merely by holding their stock prices relatively steady over the past month, the hospital management groups have served investors well. If the Wall Street ride continues to be as bumpy as it was last week, then the hospital stocks might prove a safe haven.

NEW OFFER COULD SIGNAL OFFSHORE INDUSTRY BATTLE

Bechtel may bid for UK shipyard

BY MARK MEREDITH, SCOTTISH CORRESPONDENT, IN EDINBURGH
BECHTEL, the big U.S. international engineering and construction group, has emerged as a possible rival to Trafalgar House for the takeover of British Shipbuilders' Scott Lithgow yard on the Lower Clyde.

Lloyd's may face \$100m claim after U.S. satellite failure

BY ELAINE WILLIAMS IN LONDON
LLOYD'S of London faces the prospect of paying out more than \$100m for the failed Westar 6 satellite, launched during the latest flight of the space shuttle Challenger.

French increase forces in Chad

BY DAVID MARSH IN PARIS
THE FRENCH Government, while stepping up its diplomatic efforts to achieve peace in Chad, is believed to have sent about a dozen helicopter gunships to the central African country in the last few days to back up its military forces.

Scandinavian Bank profits fall after loss provisions at offshoot

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON
SCANDINAVIAN BANK, the London-based consortium bank which is 40 per cent owned by Sweden's Skandinaviska Enskilda Banken, suffered a €3m (\$4.2m) decline in group pre-tax profits last year after making "substantial" provisions against loan losses at its Swiss subsidiary.

Renewed civil war threat in Lebanon

Continued from Page 1
In Lebanon the Prime Minister must be a Sunni Moslem, just as the president is always a Maronite Christian, but diplomats say that it is unlikely that Mr Gemayel will be able to fulfil any Moslem of authority to serve in a new government.

World Weather table with columns for location, temperature, and weather conditions.

Brazil accepts arms curbs

Continued from Page 1
despite the severe recession of the past three years. Joint ventures set up so far have been in such high technology areas as electronics and optometrics.

THE LEX COLUMN

Brussels warns the bourses

Around the world, 24-hour markets in securities are becoming a reality. In bonds and increasingly certain equities, too, the big trading houses are switching inventories from time zone to time zone: from Tokyo to London to New York and on to Tokyo again.

Protectionism

But whether the various national stock exchanges will share the pan-European aspirations of the Commission is another matter. Some will take a pragmatic view, arguing that if there is a commercial need for an international market it will develop naturally. Others will take a protectionist line, reckoning that they have more to lose than to gain from opening links to bigger markets in other countries.

Impact of ADRs

Already trading in New York in the American Depository Receipts representing leading European stocks is becoming a major factor for markets on this side of the Atlantic.

Row brewing over Fannie Mae Eurobond

Continued from Page 1
nie Mae's plans until the issue was launched: "Fannie Mae did not tell us before they did it. We found out about it in the market."

Brazil accepts arms curbs

Continued from Page 1
despite the severe recession of the past three years. Joint ventures set up so far have been in such high technology areas as electronics and optometrics.

World Weather

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SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Monday February 6 1984

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Optimistic dealers try to drum up Eurodollar rally

BY MARY ANN SIEGHART IN LONDON

THE FIRST tell-tale sign of a rally emerged in the Eurodollar bond market last week - dealers buying bonds and telling each other how bullish they were about the market.

The idea is that if dealers are optimistic and start buying bonds, prices will rise and investors will come into the market, hoping to cash in on the rally.

The first stage of this process is under way, the second is not so much in evidence. Investors have hardly swamped dealers with orders, though a certain amount of retail interest was reported towards the end of the week.

But what is encouraging is that the market has a firm undertone. Dealers perceive little downside risk, at least in the short term, and some upside potential. And Friday's news of a \$1.7bn fall in the U.S. M1 measure of money supply should keep sentiment high.

Because of the widespread optimism, most of the week's new issues were lapped up with ease, the only relatively slow seller being a \$50m floating rate note for Pirelli.

There is still some resistance among investors to FRNs from corporate borrowers, possibly because a large proportion of buyers are banks, which can lend readily to other banks and sovereign names, but have to open special credit lines if they want to lend to corporations.

Coupons on convertibles in both dollars and Swiss francs have hit all-time lows. Ono Pharmaceutical's \$80m convertible was given a 3/4 per cent coupon, but still traded at a price of 120.

The Japanese, meanwhile, are close to offering zero-coupon bonds at par in the Swiss franc market. All the convertible private placements last week had taken 1/4 per cent coupons, which raises the question of what would happen to the prices of the bonds if the Tokyo stock market fell.

Salomon Brothers hit the headlines in the dollar sector with two issues last week. It led a \$100m bond for the Alaska Housing Agency, the first U.S. state agency to tap the Eurobond market. The issue was a great success, selling at only a tiny discount to its issue price.

Investors seem not to mind that the bond has a sinking fund of undetermined size linked to the rate of prepayment of mortgages. This means that the more mortgages are prepaid, the more bonds will be redeemed early.

Salomon's other interesting deal was a novel method of offering zero-coupon bonds new to the Euromarkets, but widely used in the U.S. Salomon has bought \$120m of an Inter-American Development Bank Yankee issue, stripped the coupons and offered them at different discounts to par according to their maturities.

The tranches mature semi-annually between June of this year and 2008, the final maturity date of the bond. Investor demand has apparently been strongest for the shortest and longest maturities, with less interest in the middle ranges.

Following on from Salomon's example, Goldman Sachs is reported to have been buying World Bank Yankees due 2002 in New York. It is not clear though, whether the same formula will be used.

The West German market has been buoyant all week on the back of a weakening dollar. Secondary market prices rose by over a point and all the recent issues have traded in the pre-market at tiny discounts of around 1/4 point.

As one dealer put it, "At DM 2.85 to the dollar, nobody wants to buy D-Marks, but at DM 2.75, everyone wishes they had done it earlier."

Investors in the Swiss franc bond market were a little more hesitant. The dollar has weakened less against the Swiss franc than the D-Mark and short-term interest rates have edged down only slightly. Prices rose on the week by about 1/4 point.

Soviet credit welcomed despite tightness of terms

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

A WARM welcome awaited the Soviet Foreign Trade Bank when it formally launched its long-awaited \$150m credit on Friday.

The credit was quickly more than two-thirds subscribed and remaining syndication is expected to be complete within days.

This is despite terms that initially appear to be tight compared with those that many lenders had hoped for. The loan is to bear a margin of only 1/4 per cent over Eurocurrency rates, while many banks had been looking for a margin closer to 1/2 per cent.

But the Soviets have given some ground on the maturity, which has been set at five years, with repayments beginning after a grace period of four years. The deal's short life, coupled with the front-end fee

of 1/2 per cent, thus gives a total yield of about 3/4 per cent.

Lloyds Bank International has joined Dresdner Bank in arranging the credit on a club basis. They are putting up \$15m, as is Credit Agricole of France.

Leading banks from Austria, Canada, Finland, Italy and Sweden are also in the transaction, while U.S. and Japanese banks are expected to subscribe soon.

The shortage of new international leading opportunities may have added to the loan's attraction. Its successful launch, however, also marks a further step in the cautious reopening of the loan market for Eastern European names. This was effectively shut down by the Soviet invasion of Afghanistan and the Polish debt crisis - last year there

were credits for Czechoslovakia and Hungary.

That apart, the Soviet deal also helped last week to inject a flicker of life into the syndicated loan market. January was one of the quietest months on record, but last week saw the launch of another long-awaited loan in the form of \$100m for Qatar Petrochemical Company.

BHF Bank bond average table with columns for Feb 3, Previous, High, 1983-84, Low

New loans were also launched for Turkey and Indonesia, but bankers in the floating rate note market say there is still no sign of the saturation that would drive top-quality names back to Eurocredits.

Among loans already in the market, the Ecu 250m (\$200m) credit for Italy's energy conglomerate Ente Nazionale Idrocarburi is heavily oversubscribed and may be increased to at least Ecu 300m. Its clear success should allay doubts about the depth of the Ecu market.

One factor behind the stream of positive replies is the leading banks' awareness of the fact that other European borrowers, notably France, are keen on Ecu business.

Those banks which want to win a share of these loans must now demonstrate their expertise in Ecu transactions.

It was a relatively quiet week on the rescheduling front. Yugoslavia has still not replied to a proposal from commercial bank creditors for a rescheduling of up to \$1.6bn in debt falling due this year.

This raises fears that the current temporary freeze on principal repayments may have to be renewed when it expires at the end of March.

By Friday Argentina and its leading creditors had also failed to agree in New York on terms for a further disbursement of the \$1.5bn medium-term loan arranged as part of last year's debt rescue package.

Few banks expect the new government of President Raul Alfonsín to negotiate a rescheduling package quickly. A disbursement of the remaining \$1bn from the medium-term loan, however, would at least help the country to reduce its payment arrears, now put at some \$3bn, before the important March

31 balance sheet deadline for U.S. banks.

By the middle of this month Argentina also has to repay \$350m due on the separate \$1.1bn bridging loan granted by bank creditors last year.

Some banks argue that this could be paid out of the reserves Argentina is building up from its grain sales.

Union Pacific Corporation, the U.S. railway, oil, mining and property group, is meanwhile making what is believed to be its first foray into the Euromarket with a two-year, \$75m credit to back up the issue of commercial paper.

Led by Credit Suisse First Boston, the credit bears a margin of 1/2 per cent and a commitment fee of 0.15 per cent or 0.25 per cent, depending on utilisation.

CURRENT INTERNATIONAL BOND ISSUES

Table with columns: Borrowers, Amount m, Maturity, Av. life years, Coupon %, Price, Lead Manager, Offer yield %

\* Not yet priced. † Final terms. \*\* Placement. † Floating rate note; coupon is spread over 6-month Libor. (a) Spread over mean of 6-month bid and offered rate. (b) Spread over 3-month Libor. † With warrants. ‡ Dual currency issue repayable in dollars. § Minimum. ¶ Includes 125m tap. X Increased. Note: Yields are calculated on AIRB basis.

NEWSCORP NETHERLANDS ANTILLES N.V.
Willemstad, Curaçao, Netherlands Antilles
Swiss Francs 175 000 000
6 1/4% Bonds 1984-1992/94
with the guarantee of THE NEWS CORPORATION LIMITED

NEW ISSUE
Province de Québec
U.S. \$150,000,000
12 1/2% Bonds Due 1994
Credit Suisse First Boston Limited
S. G. Warburg & Co. Ltd.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Volcker speech likely to determine market psychology

MR PAUL VOLCKER, the Federal Reserve Board chairman, returns to Capitol Hill for his semi-annual appearance tomorrow to deliver the Fed's monetary targets for the year. His testimony will determine market psychology this week...

Table with 2 columns: U.S. INTEREST RATES (%), Week to Week. Rows include Fed funds weekly average, 3-month T-bills, 3-year Treasury bonds, etc.

ing' of his prepared text last year, are expected to confirm the provisional 1984 monetary targets set last July. The markets will be particularly interested in his assessment of the current state of the economy and in the relative importance he attaches to M1 and the other monetary aggregates.

The one near certainty about Mr Volcker's testimony is that he will use the opportunity once again to attack Federal budget deficits. In the State of the Union speech and then his \$925.5bn budget which forecast a \$180bn deficit next fiscal year...

Paul Taylor

New IMF figures show true extent of debts

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

AN ADDITION to the range of statistics available on international banking has come with the launch of a series of country debt figures by the International Monetary Fund.

Work on the new figures, which are published in its monthly International Financial Statistics, began as long ago as 1981, but the detailed information they provide has been made all the more urgently needed because of the Latin American debt crisis.

The new data involve a blend of existing IMF figures on the external business of banks in member countries with the quarterly figures on banking flows produced by the Bank for International Settlements. The Fund has added some new data to give a much more accurate breakdown of international bank lending, especially to non-banks.

On the lending side its sources are more wide-ranging than the 15 reporting countries which provide the BIS figures. The IMF has already added three more countries -

Singapore, Hong Kong and Bahrain - and it plans gradually to add a further 19 so that banks in all countries with external assets of more than \$20m will be included.

Three new tables have been published covering cross-border inter-bank accounts, international bank credit to non-banks, and international bank deposits by non-banks. By adding up a country's inter-bank liabilities, its borrowings by non-banks from the banking system and the deposits of non-banks in its own banking system, a fairly complete picture of its indebtedness to the banking system can be drawn.

In most cases, the total will be larger than that provided by the BIS because of the broader collection base. Brazil's bank indebtedness to IMF calculations at the end of last June was \$77bn, whereas the BIS put it at only \$77bn.

But the IMF figures also contain some local currency liabilities. Unlike the BIS statistics they are not adjusted for currency fluctuations, so they cannot be used to construct

Sabic issue given cool reception by non-Saudis

By Mary Frings in Bahrain

A SR 2bn (\$370m) share issue by Saudi Basic Industries Corporation (Sabic) has been greeted coolly by investors from the other five Gulf Cooperation Council countries - Bahrain, Kuwait, Oman and the United Arab Emirates.

When the issue closed this weekend, the 200,000 shares on offer to non-Saudi investors were under-subscribed. The Riyadh-based Consulting Centre for Financing and Investment (CCFI), which is managing the issue, said coverage from the Gulf states was about 60 per cent. There was no immediate breakdown of the distribution of subscriptions but in Bahrain the response was very poor.

National Bank of Bahrain handled applications for 3,025 shares, while at Bank of Bahrain and Kuwait, normally the most active offshore company share seats, the tally was under 200. Total subscriptions from Bahrain amounted to only 4 per cent of the Gulf portion of the issue.

The Saudi portion (1.8m shares) attracted 200 per cent coverage and CCFI said the shares not taken up in the Gulf might be distributed to Saudis when the allotment takes place in six weeks.

The Saudi Government plans eventually to sell off 75 per cent of Sabic, a SR 10bn company set up in 1976 to develop the petrochemicals industry. This 20 per cent offering was priced at 18 per cent above the SR 1,000 nominal value of the shares.

Mattel to report negative net worth

BY TERRY DODSWORTH IN NEW YORK

MATTEL, the loss-making U.S. toy company which is being supported by the banks during an extensive reorganisation programme, says it will be forced to report negative net worth of \$150m in its accounts to January 28.

The group also said it was selling the rest of its once highly profitable electronic games business for \$20m in a management buyout agreement. But the sale would incur substantial provisions against the discontinuance of this division, and there would be further fourth-quarter operating losses to absorb. The company would also have to make further write-offs against the sale of its Western Publishing unit, which is being disposed of for \$75m under a previously agreed deal.

At the end of the third quarter shareholders' funds had dropped to \$26.7m after huge write-offs against the electronics games activities, which lost \$276.9m in the first nine months of its fiscal year. At

the company's last balance sheet date in January 1983, shareholders' funds stood at \$274.6m. Under the disposal agreement for the electronic games division, Intellivision Verence Valaski, senior vice-president of marketing for Mattel Electronics, and an independent group of investors.

Mattel will now concentrate its resources on the toys and hobby segments, where its results have been running at record levels, partly due to the success of its Barbie dolls. As a result, it intends to discontinue its entertainment business segment, and will seek a buyer for its Circus World theme park in Orlando, Florida.

The company has also omitted payment of its quarterly dividend on its cumulative convertible preferred stock for the current quarter under regulations which prohibit dividend payments for a company with negative net worth.

Sharp decline for CPE

CANADIAN PACIFIC Enterprises, the non-transportation arm of Canadian Pacific, has reported a sharp fall in 1983 net profits from C\$150m (U.S.\$120m) or \$1.05 a share to C\$94m or 61 cents, Robert Gibbons reports from Montreal.

More than half the 1983 earnings came in the last quarter when a C\$31m gain from the sale of CP Hotels helped lift earnings from C\$41m to C\$68m. CPE's subsidiaries in metals and mining, such as Comco, and in forest products - Great Lakes Forest Products and CIP - have been severely affected

by the North American and world recession. Algoma Steel has also been adversely affected, and even AMCA International, based in the U.S., has for the first time in a decade posted lower profits. A sound performance by Canadian Petroleum over the past two years has helped offset red ink elsewhere.

The Canadian Pacific rail operations have been doing better, and management expects a better year in 1984 but full recovery may well be delayed until 1985.

Challenge to Getty bid fails

A Federal judge in Tulsa, Oklahoma has denied a request for an injunction that would have blocked the \$10.1bn takeover of Getty Oil by Texaco, the U.S. oil major, Reuters reports from Tulsa.

Pennzoil, the Houston natural resources company, had sought the injunction in a private antitrust suit. Pennzoil, which had previously agreed to buy part of Getty, argued that the Texaco-Getty combination would be anti-competitive.

Boost for mobile phones

THE SEVEN holding companies created by the break-up of American Telephone & Telegraph (AT & T) have reached settlements with independent phone companies that will speed the construction of cellular mobile phone systems in 33 U.S. cities, Our Financial Staff writes.

Bell South, one of the seven new companies, said a notice of the settlement had been filed with the Federal Communications Commission. The company said the settle-

ments involved 23 companies that had been competing for the right to build cellular systems. Without the settlements the FCC would have had to hold hearings to compare the qualifications of the applicants and select a winner in each city.

Bell South said its systems would be operating by the end of 1985, several months to a year earlier than projected. The only major system in commercial operation is in Chicago. It opened last October.

INTERNATIONAL APPOINTMENTS

to the board of the Bank - one of Switzerland's 'big five' - with a view to succeeding Dr Edwin Stopper. Dr Stopper, who before he became Liechtenstein's president of the Swiss National Bank, is to retire at the end of May. Mr Claus Neusebeler, chairman of the Zurich-based Inter-

ests, Mr Richard Grim has been appointed managing director of Greyhound Financial & Leasing Corp. A.G., Zug, Switzerland (GAG), a medium-term secured lending affiliate of The Greyhound Corp., Phoenix, Arizona.

Mr S. Frederic Gronick, vice-president in charge of the European continental offices of the ASSOCIATION OF AMERICA, has been promoted to a senior vice-president. He is responsible for operations in the UK, most

of western Europe, and North Africa. He has headquarters in London and Paris.

ENVIRONETICS INTERNATIONAL INC, the American office design company, has created an affiliate of the president, Mr Alan Briskman and Mr Donald A. Sachar have been appointed to the office as co-presidents. Mr Briskman and Mr Sachar succeed Mr Lerner, who remains chairman and chief executive officer. Mr Briskman will lead Environetics' planning and production operations while

Mr Ronald J. Gidwitz, president and member of the board of directors of Helene Curtis Industries, Inc, has been appointed a public director of the CHICAGO BOARD OF TRADE. He has been appointed to a three-year term beginning on February 1. He will serve as one of three non-member public directors called for by the rules and regulations of the board of trade.

President named for Chrysler

CHRYSLER CORP has named Mr Harold K. Sperlich as president filling an office that had been vacant since 1981. Mr Sperlich, president of Chrysler's North American automotive operations since 1981, was already

one of four members of Chrysler's office of the chairman. Other members are: chairman Mr Lee Iacocca, vice-chairman Mr Gerald Greenwald, and executive vice-president Mr Bennett Bidwell. Mr Sperlich was placed recently in charge of Chrysler de Mexico in addition to U.S. and Canadian operations.

Dr Arthur Furerer, currently chairman of Nestle, is foreseen as next chairman of BANK LEU. Zurich. At the Bank's March 9 shareholders' meeting, Dr Furerer will be nominated for election

FT INTERNATIONAL BOND SERVICE

Large table with multiple columns: U.S. DOLLAR, EUROPEAN BOND TURNOVER, FT INTERNATIONAL BOND SERVICE. Includes bond listings with columns for Issued, Bid, Offer, Change, and Yield.

EUROPEAN INVESTMENT BANK advertisement. Includes logo with a bull, text 'U.S. \$150,000,000', '11 1/2 per cent. Bonds due 1991/1999', and list of member banks like Arab Banking Corporation, Baring Brothers & Co., etc.



Finnish group for London SE

Amer Group, Finnish tobacco to paper wholesaler company, intends to make a private placing of up to 20 per cent of its equity followed by a listing on the Stock Exchange in London.

Interim profit for G. Blair

On turnover £262,000 lower at £5.2m, George Blair, engineers and steel foundries, achieved a trading profit of £190,000 for the six months ended October 1983.

FT Share Information

The following securities have been added to the Share Information Service: Hestera (Section: Industrials), High-Point Services Group (In-Stratals), Meehan (Chemicals), Nationwide Building Society (10pc Bds. 24/12/84 (Loans-Building Societies)), Paken Group (Textiles), Public Service Electric & Gas Company (Americans), Touquet-Hallett Group (South Africans).

Farmer Stedall tops projection by 19%

Farmer Stedall, the unquoted industrial plant and machinery merchant, has turned in pre-tax profits of £238,221 for the 12 months ended October 31, 1983.

Bright prospects for English China Clays

"WE HAVE a bright future," says Lord Aberconway in his last annual statement as chairman of English China Clays.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are in arrears or whether the dividends shown below are based on last year's timetable.

Table with columns: Company Name, Meeting Date, and Notes. Includes Akzo, Alliance Trust, E. and C. Erskine Trust, Ford (Merlin), General Consolidated Inv. Trst, Macfarlane-Glenlivet, Mackay (Hugh), Nottingham Manufacturing, Omid, Pacific Communications, Royal Executive, Scottish Eastern Invest. Trst, Securicor, Security Services, Stocked, Telephones and Cables, Tribune Investment Trust, Vickers.

Hawley lifts holdings in subsidiaries

Mr Michael Ashcroft's Hawley Group yesterday revealed that it has boosted its holdings in subsidiaries Electroprotective and Kean & Scott, funding the purchases by issuing 8.1m new Hawley shares worth just over £5m.

Norfolk Capital

Kennedy Brookes Finance, together with its associates, has purchased 1.25m ordinary shares of Norfolk Capital Group representing 6.59 per cent of the issued shares.

Berkeley Exp.

Bristol Production Services, a wholly owned subsidiary of Bristol Oil and Minerals, has acquired 1,078,000 ordinary shares (10.53 per cent) in Berkeley Exploration.

Life companies

Mr James M. Sousses, the managing director of Life Association of Scotland and Merchant Investors Assurance Company, has pointed out that, contrary to reports in the press, there is no plan to integrate the activities of the two companies.

LADBROKE INDEX Based on FT Index 825-829 (+3) Tel: 01-943 5261

SelectTV moves to reinforce finances

FINANCES remain strong at SelectTV with some £1m on deposit. But, in the future, the losses are likely to persist, they warn. But the measures in hand demonstrate their determination that the company should remain prominent in the rapidly developing cable television and communications industry.

Coghlan's pays 30 months pref. dividend arrears

Some dividend arrears are being paid by Coghlan's. On February 29 holders of the 8 per cent gross cumulative preference shares will receive payment covering the 30 months ended March 31 1983.

SHARE STAKES

Elsen and Robbins-Barclays (Holdings) is interested in 212,800 ordinary (10 per cent). Highland Distillers - As a result of recent purchases of shares, Prudential Corporation holds 3,118,252 ordinary (5.07 per cent).

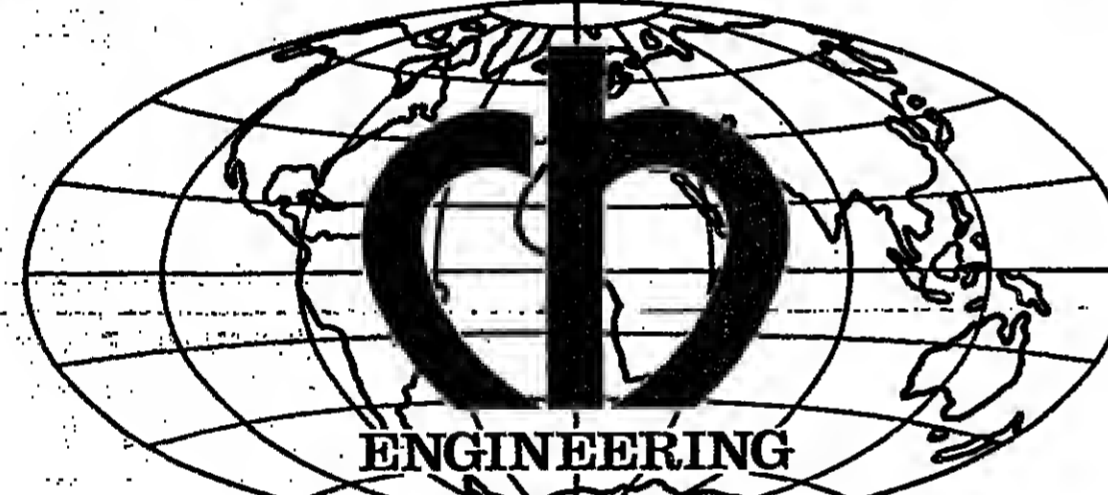
Table of EQUITIES with columns: Issue Price, Amount Paid Up, 1983-84 High/Low, Stock Name, and various financial ratios.

Table of FIXED INTEREST STOCKS with columns: Issue Price, Amount Paid Up, 1983-84 High/Low, Stock Name, and various financial ratios.

Table of "RIGHTS" OFFERS with columns: Issue Price, Amount Paid Up, Latest Renewal Date, 1983-84 High/Low, Stock Name, and various financial ratios.

PENDING DIVIDENDS

Table of PENDING DIVIDENDS with columns: Dividend Date, Dividend Amount, and Company Name.



A world of difference

Crown House Engineering has developed a new corporate style to reflect the company's size and the importance of its worldwide connections.



Main contractor for IBM United Kingdom Limited for the substrate transfer project at their Havant plant. Turnkey design and construction on behalf of Hazellon Laboratories Europe for their coal-firing replacement boiler plant at Harrogate. Complete site management package for the mechanical services at the new world headquarters for General Accident Fire and Life Assurance at Perth, Scotland.

Crown House Engineering Limited

Electrical and Mechanical Engineers and Contractors 320 Purley Way Croydon CR9 2DE Telephone: 01-686 2411 Telex: 945226 A Crown House Company

Mezzanine Capital Corporation Limited

Notice to the holders of the partly paid Bearer Depositary Receipts ("BDRs") evidencing Participating Redeemable Preference Shares of US 1 cent each ("Shares") of Mezzanine Capital Corporation Limited ("the Company").

Notice of Dividend NOTICE IS HEREBY GIVEN to the holders of the BDRs that the Company has declared an interim dividend for the financial year ending on 31st May, 1984 of US\$0.1364 per Share.

Payment of this dividend will be made, subject to receipt thereof by Manufacturers Hanover Bank (Guernsey) Limited ("the Depository"), against surrender of Coupon No. 1, at the specified office of the Depository or of any of the Paying Agents (set out on the reverse of the BDRs and at the foot of this Notice), at any time on or after 6th February, 1984.

Depository and Principal Paying Agent Manufacturers Hanover Bank (Guernsey) Limited, Manufacturers Hanover House, Le Truchot, St. Peter Port, Guernsey, Gannel Islands. Paying Agents: Manufacturers Hanover Bank/Belgium S.A., Ruis de Ligne 13, B-1000 Brussels, Belgium; Manufacturers Hanover Trust Company, Brookline 15, Massachusetts 01906; D 6000 Frankfurt/Main 1, West Germany; Manufacturers Hanover Trust Company, Shell Tower, 33/34th Storey, 50 Raffles Place, Singapore 0104; Manufacturers Hanover Trust Company, 39 Boulevard Prince Henri, Luxembourg, Grand Duchy of Luxembourg; Manufacturers Hanover Trust Company, Alexandra House, 27th Floor, 18-20 Chater Road, Central, Hong Kong; Manufacturers Hanover Trust Company, Stockenstrasse 33, 8027 Zurich, Switzerland; Morgan Guaranty Trust Company of New York, 14 Place Vendôme, 75001 Paris, France.

HAMBRO INTERNATIONAL BOND FUND

Notice of Distribution For the accounting year ended 31st December 1983, a distribution of U.S.\$108.30 per 10 shares is payable from 14th February 1984, against presentation of Coupon No. 8 at any of the following offices: Hambros Bank (Guernsey) Limited, P.O. Box 6, St. Julian's Court, St. Peter Port, Guernsey; Hambros Bank, Banque Internationale a Luxembourg, Boulevard Royal 2, Luxembourg; Banque Bruxelles-Lambert S.A., 2 Rue de la Regence, B-1000 Brussels, Belgium.

Table of FINANCIAL TIMES STOCK INDICES with columns: Index Name, Feb. 3, Feb. 5, Feb. 6, Jan. 31, Jan. 30, Jan. 27, 1983-84 High, and Since Completion Low.

N.A.V. at 31.84 US\$51.31 VIKING RESOURCES INTERNATIONAL N.V. INFO Platoon Holdings & Pardon N.V., Herengracht 214, Amsterdam

Bank of Tokyo (Curaçao) Holding N.V. US \$75,000,000 Guaranteed Floating Rate Notes due 1991. Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by The Bank of Tokyo, Ltd.

Granville & Co. Limited Member of NASDMM 27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212 Over-the-Counter Market

Table of Over-the-Counter Market with columns: Capitalization, Company Name, Price on week div. (p), % Change, and Fully Paid.

Closing prices February 3

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Dr. Yld.	P/ E	100s High	Low	12 Month High	Low	Stock	Dr. Yld.	P/ E	100s High	Low	12 Month High	Low	12 Month High	Low	Stock	Dr. Yld.	P/ E	100s High	Low	
117 1/2	115 1/4	AAR	1.40	13.0	117 1/2	115 1/4	117 1/2	115 1/4	3M	5.00	10.0	117 1/2	115 1/4	117 1/2	115 1/4	117 1/2	115 1/4	3M	5.00	10.0	117 1/2	115 1/4	
116 3/4	114 1/2	AAC	1.40	13.0	116 3/4	114 1/2	116 3/4	114 1/2	4M	5.00	10.0	116 3/4	114 1/2	116 3/4	114 1/2	4M	5.00	10.0	116 3/4	5.00	10.0	116 3/4	114 1/2
115 3/4	113 1/2	AAG	1.40	13.0	115 3/4	113 1/2	115 3/4	113 1/2	5M	5.00	10.0	115 3/4	113 1/2	115 3/4	113 1/2	5M	5.00	10.0	115 3/4	5.00	10.0	115 3/4	113 1/2
114 3/4	112 1/2	AAL	1.40	13.0	114 3/4	112 1/2	114 3/4	112 1/2	6M	5.00	10.0	114 3/4	112 1/2	114 3/4	112 1/2	6M	5.00	10.0	114 3/4	5.00	10.0	114 3/4	112 1/2
113 3/4	111 1/2	AAM	1.40	13.0	113 3/4	111 1/2	113 3/4	111 1/2	7M	5.00	10.0	113 3/4	111 1/2	113 3/4	111 1/2	7M	5.00	10.0	113 3/4	5.00	10.0	113 3/4	111 1/2
112 3/4	110 1/2	AAN	1.40	13.0	112 3/4	110 1/2	112 3/4	110 1/2	8M	5.00	10.0	112 3/4	110 1/2	112 3/4	110 1/2	8M	5.00	10.0	112 3/4	5.00	10.0	112 3/4	110 1/2
111 3/4	109 1/2	AAP	1.40	13.0	111 3/4	109 1/2	111 3/4	109 1/2	9M	5.00	10.0	111 3/4	109 1/2	111 3/4	109 1/2	9M	5.00	10.0	111 3/4	5.00	10.0	111 3/4	109 1/2
110 3/4	108 1/2	AAS	1.40	13.0	110 3/4	108 1/2	110 3/4	108 1/2	10M	5.00	10.0	110 3/4	108 1/2	110 3/4	108 1/2	10M	5.00	10.0	110 3/4	5.00	10.0	110 3/4	108 1/2
109 3/4	107 1/2	AAT	1.40	13.0	109 3/4	107 1/2	109 3/4	107 1/2	11M	5.00	10.0	109 3/4	107 1/2	109 3/4	107 1/2	11M	5.00	10.0	109 3/4	5.00	10.0	109 3/4	107 1/2
108 3/4	106 1/2	AAY	1.40	13.0	108 3/4	106 1/2	108 3/4	106 1/2	12M	5.00	10.0	108 3/4	106 1/2	108 3/4	106 1/2	12M	5.00	10.0	108 3/4	5.00	10.0	108 3/4	106 1/2
107 3/4	105 1/2	AAZ	1.40	13.0	107 3/4	105 1/2	107 3/4	105 1/2	13M	5.00	10.0	107 3/4	105 1/2	107 3/4	105 1/2	13M	5.00	10.0	107 3/4	5.00	10.0	107 3/4	105 1/2
106 3/4	104 1/2	AAB	1.40	13.0	106 3/4	104 1/2	106 3/4	104 1/2	14M	5.00	10.0	106 3/4	104 1/2	106 3/4	104 1/2	14M	5.00	10.0	106 3/4	5.00	10.0	106 3/4	104 1/2
105 3/4	103 1/2	AAC	1.40	13.0	105 3/4	103 1/2	105 3/4	103 1/2	15M	5.00	10.0	105 3/4	103 1/2	105 3/4	103 1/2	15M	5.00	10.0	105 3/4	5.00	10.0	105 3/4	103 1/2
104 3/4	102 1/2	AAD	1.40	13.0	104 3/4	102 1/2	104 3/4	102 1/2	16M	5.00	10.0	104 3/4	102 1/2	104 3/4	102 1/2	16M	5.00	10.0	104 3/4	5.00	10.0	104 3/4	102 1/2
103 3/4	101 1/2	AAD	1.40	13.0	103 3/4	101 1/2	103 3/4	101 1/2	17M	5.00	10.0	103 3/4	101 1/2	103 3/4	101 1/2	17M	5.00	10.0	103 3/4	5.00	10.0	103 3/4	101 1/2
102 3/4	100 1/2	AAD	1.40	13.0	102 3/4	100 1/2	102 3/4	100 1/2	18M	5.00	10.0	102 3/4	100 1/2	102 3/4	100 1/2	18M	5.00	10.0	102 3/4	5.00	10.0	102 3/4	100 1/2
101 3/4	99 1/2	AAD	1.40	13.0	101 3/4	99 1/2	101 3/4	99 1/2	19M	5.00	10.0	101 3/4	99 1/2	101 3/4	99 1/2	19M	5.00	10.0	101 3/4	5.00	10.0	101 3/4	99 1/2

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices February 5

Main table of American stock exchange closing prices, organized by sector (A-C, D-H, I-L, M-P, Q-S, T-V, W-Y, Z) with columns for stock name, price, and change.

Continued on Page 20

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York stock exchange closing prices, organized by sector (continued from Page 18, A-C, D-H, I-L, M-P, Q-S, T-V, W-Y, Z) with columns for stock name, price, and change.

Continued on Page 20

Notes and footnotes regarding stock prices, dividends, and exchange information.

WORLD STOCK MARKETS

NEW YORK INDICES
DOW JONES
1983-84 Since Comp'n't
High Low High Low
Jan. 31 Jan. 30 Jan. 27

AUSTRIA
1983-84 Feb. 3 Price
High Low
Creditanstalt Pfd. 313
Oesterreich 320
Internat. 410

CANADA
1983-84 Feb. 3 Price
High Low
Bell Canada 21 1/2
Bombardier 19
Bow Valley 34

ITALY
1983-84 Feb. 3 Price
High Low
Banca Com. It. 87,800
Banca di Sicilia 107,474

HONG KONG
1983-84 Feb. 1 Price
High Low
Bank East Asia 23.3
Cheung Kong 10.1

JAPAN
1983-84 Feb. 4 Price
High Low
Allipon 1,080
Alps Electric 2,700

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High Low
1,236.50 Emprunt 4 1/2 1978

SINGAPORE
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## THE WEEK IN THE COURTS

# When rights are sacrificed for expediency

CONVENIENCE and justice, a famous law lord once proclaimed, are often not on speaking terms. Yet English judges, not infrequently, allow fundamental rights to be sacrificed on the altar of expediency. The decision of the Court of Appeal (Criminal Division) in *R v Heston-Francois* last week is unhelpfully an example of practical considerations relating to a criminal trial triumphing over the accused's right to complete protection of legally privileged documents.

In July 1981, the accused was on bail awaiting his trial on charges of burglary from a jewellery manufacturer in North London. Unconnected with those proceedings, two police officers from another division of the Metropolitan Police went one morning to the accused's house in South London with a warrant to search his home. In the course of their search, they came across files relating solely to the preparation of the accused's defence for his forthcoming trial.

The documents were passed to the officers involved in the prosecution, despite the fact

that the accused had protested at the seizure and removal of documents that were acknowledged by the police as subject to legal privilege.

The Court of Appeal acknowledged that the unlawful and unjustified seizure and removal of an accused's documents prepared for his defence should not occur. Police officers are bound to regard such documents, even if they have been lawfully seized, as entitled to protection so that an accused's right to silence is preserved.

For 20 years the courts have been declaring that they always possess residual discretion to prevent anything done by a prosecutor or the police in the course of criminal investigation which savours of an abuse. If a police officer removes legally privileged documents from the owner without his consent he can justify his action only if he can demonstrate that he reasonably suspected that the documents contained evidence of the commission of a crime. Short of establishing that, there is a clear breach of a fundamental right of the owner to keep his

documents to himself. How, then, did the Court of Appeal override such an important principle of the law?

They relied on an argument that if accused persons were able to get a prosecution halted unfortunate consequences would ensue. First, it was said that the courts ought not to be used to discipline the police: there were disciplinary powers if the police overstepped the mark.

It is little comfort for the accused if the only consequence of a breach of a fundamental principle of process is that the police officers might subsequently be dealt with for their misdeeds. The courts are there to ensure fairness between prosecution and the citizen and, if unfairness is perpetrated, the courts must step in and prevent it by not allowing the unfairness to persist.

Then, it was said, the public and the victims of crime have an interest in seeing the guilty being prosecuted to conviction. The interests of the public, however, are not to convict the guilty at all costs. Every criminal trial is a balancing of the public interest to deal effectively with crime and the rights of the individual to be protected against oppressive action by those entrusted with the duty of enforcing the law.

An extension of that point was that if the court had to inquire into the misdeeds of

the police, even before the trial began, the process would be open to abuse by unscrupulous and dishonest accused persons, and the criminal trial system would be placed in jeopardy.

That would appear to indicate the inability of the court to control its own procedure. It would be only the rare case where on the face of it something had gone so severely wrong with the conduct of the prosecution that the court would entertain any application to stop the trial.

There have been a few instances in the reported cases in the law books. One recent example was a case where a person was returned from a foreign country under the guise of deportation to circumvent the elaborate procedure for extradition. The High Court ordered the magistrates' court to stop criminal proceedings launched against the person as soon as he set foot in this country. Likewise, the police were ordered to drop the charges. But those cases are declared, after last week's ruling, to be exceptions that ought not to be extended.

Finally, it was said that the police had not been shown to have made use of the documents at the trial to defeat any defence. The fact that the police have the opportunity of delving into the accused's material in preparation for trial is itself such a breach of

a fundamental right that it is unnecessary to show that some positive use was made of the material.

In any event it will often be impossible to demonstrate that the sight of the accused's papers helped the prosecution. Prosecuting counsel may have desisted from a line of cross-examination because he had accurately anticipated a satisfactory answer.

How is it possible to demonstrate that he had adopted that strategy as a result of information he has received from those instructing him who had a sight of the legally privileged documents of the accused? If the prosecution have unlawfully and unjustifiably seized an accused's privileged documents, the court ought to conclude simply that the potential use of the contents is enough for them to conclude unfairness in the legal process.

It is the absence of a written constitution that leads English courts to rely on tradition and specific legislation rather than look to fundamentally guaranteed rights. English judges prefer, in the absence of compelling principles, to look at the practical consequences of alleged infringement of human rights. The trouble is that the ultimate product is disorganised pragmatism.

Justinian

## 'Split BR into private groups'

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

A SYSTEM of private railway operators working under franchise from a small national regulatory office, like the Independent Broadcasting Association, is advocated in a Eow Group pamphlet published today.

Norman Blackwell, the author, argues that splitting British Rail into autonomous private enterprises would "give free enterprise a chance to make a go of this wasting national asset."

The plan would be to split BR into a single national track authority, which would retain the right of way, signalling, line maintenance, and the capital assets franchised. Inter-city operators, running services along exclusive routes based on regional networks from London; local commuter service operators, with exclusive franchises in specified areas; and one or more competitive national

franchises for freight operators.

The author admits that some franchises would not be viable financially and would need pre-set subsidy levels built in. He believes, however, that "more cost-conscious and commercially-minded management will bring currently loss-making routes into profit — as, for example, British Midland Airways has entered into competition with British Airways on domestic flights."

He lists the advantages of splitting BR as: restoring pride in local service levels; creating entrepreneurial incentives to try out new marketing and commercial approaches; increasing productivity through cutting out many of BR's overheads; freedom from trade unions "with their negative attitudes to new technology and flexible manning."

\*Franchising Britain's Railways: A Free Enterprise

Approach to improving productivity and service, by Norman Blackwell, Bow Group, 240 High Holborn, London WC 1V 7DT, £2.00.

## Halfpenny appeal by conservation group

CONSERVATION GROUP Friends of the Earth launched a national waste-saver scheme for the halfpenny coin yesterday. Supporters are being asked to save the coins before they go out of circulation and send them to the FoE's London office.

The halfpennies collected will be returned to the Royal Mint in Wales for melting and re-use. FoE aims to save 1m halfpenny coins, equivalent to 1,780 kilograms of coinage bronze.

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Joint Announcement by

## Liberty Life Association of Africa Limited

("Liberty Life")  
(Incorporated in the Republic of South Africa)  
end



## Liberty Holdings Limited

("Libhold")  
(Incorporated in the Republic of South Africa)

# Proposed rights offer of ordinary shares by Liberty Life to the holders of its ordinary and convertible redeemable cumulative preference shares

The Board of Directors of Liberty Life wishes to announce that Liberty Life intends to raise approximately R120 million by way of a pro-rata rights issue of ordinary shares. The rights offer will be made to Liberty Life's ordinary shareholders and to the holders of its convertible redeemable cumulative preference shares ("the convertible preference shares") consisting of 7 1/2% fixed rate convertible redeemable cumulative preference shares - Series A, variable rate convertible redeemable cumulative preference shares - Series B, 7 1/2% fixed rate convertible redeemable cumulative preference shares - Series C and 7 1/2% fixed rate convertible redeemable cumulative preference shares - Series D.

The detailed terms of the proposed rights offer by Liberty Life will be announced in the press on Friday, 24 February 1984 and will be set out in a circular containing the renounceable (nil paid) letter of allocation to be posted to ordinary and convertible preference shareholders of Liberty Life on 8 March 1984.

The additional capital is required for the further development of Liberty Life, to support its increased penetration of the South African life assurance market which has been achieved over recent years and to maintain the accelerating momentum of Liberty Life's growth. These trends are evidenced by the recently announced 54.7% record growth in the volume of new business premium income for 1983 to approximately R209 million and by the increase in Liberty Life's total assets which at 31 December 1983 were approximately R3.25 billion, compared to R2.37 billion at 31 December 1982.

On the basis of the additional funds which will become available, the directors are confident that Liberty Life's leading role in the life assurance industry will be enhanced and that its capital resources will be adequately augmented to sustain further rapid growth in the medium term.

Liberty Life has sufficient unissued ordinary shares under the control of its directors for the purposes of the proposed rights offer and consequently no meeting of Liberty Life's shareholders will be required to approve the proposed rights offer.

It is not contemplated that Libhold will require a rights issue to follow its entitlement in the proposed Liberty Life rights offer. The opportunity, however, will be taken for Libhold to place a portion of its rights entitlement with selected institutional shareholders both in South Africa and in the United Kingdom with a view to broadening Liberty Life's institutional connections and shareholder spread.

Record date for the proposed rights offer and final ordinary dividend of Liberty Life for the financial year ended 31 December 1983

The ordinary and convertible preference shareholders who will be entitled to participate in the proposed rights offer will be those shareholders registered at the close of business on Friday, 2 March 1984.

The results of Liberty Life for the financial year ended 31 December 1983 and the final ordinary dividend to be declared in respect thereof will be announced on Friday, 24 February 1984 and the ordinary shareholders of Liberty Life who will be entitled to receive such dividend will be those shareholders registered at the close of business on Friday, 2 March 1984. The new ordinary shares resulting from the rights offer will not participate in such dividend.

Liberty Life Association of Africa Limited  
Liberty Holdings Limited

Donald Gordon  
Chairman

Johannesburg  
2 February 1984

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| Salomon Brothers International                        | Société Générale de Banque S.A.            |
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The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Note.

Interest is payable annually in arrears on 1st March, the first payment being made on 1st March, 1985.

Full particulars of Security Pacific Overseas Finance N.V. and Security Pacific Corporation are available in the Extel Statistical Service. Full particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 20th February, 1984 from the brokers to the issue:

Hoare Govett Ltd.,  
Heron House,  
319/325 High Holborn,  
London WC1V 7PB  
6th February, 1984

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Cazenove & Co.,  
12 Tokenhouse Yard,  
London EC2R 7AY

February 6, 1984

## CONSTRUCTION CONTRACTS

### M42 job for R. M. Douglas

The Department of Transport has awarded R. M. DOUGLAS CONSTRUCTION the £13.73m M42 Bromsrove section-Lickey End contract. The contract, which is due for completion in 24 months, comprises a 6.3 km (4.3 miles) section of three-lane motorway running westwards from the M42 junction near Alvechurch (Warwick) to a new grade separated junction with the A38 at Lickey End. The latter junction, which forms part of Douglas's contract, is due for early phased completion. Included in the work are 13 bridges with associated retaining walls. At one point a 380 metre section of the Birmingham and Worcester canal will be straightened and diverted under one of the motorway bridges. Other bridges will span two railway lines and the River Arrow near Alvechurch. The road will be of flexible construction and will incorporate 750,000 tonnes of imported stone.

A £5.5m contract for construction of the first phase of an industrial development in Watford has been awarded to TAYLOR WOODROW CONSTRUCTION by Standard Life Assurance Company. Taylor Woodrow is already undertaking

road and other infrastructure works on the site and is now building five blocks with integral office areas, to provide 12,500 sq metres. Included will be an estate management office for the whole development, which is called the Cruxley Centre. Completion of the first phase is scheduled for December. The industrial units will have concrete ground floor slabs with steel frames supporting aluminium external cladding and roofing. Office areas will be clad with curtain walling.

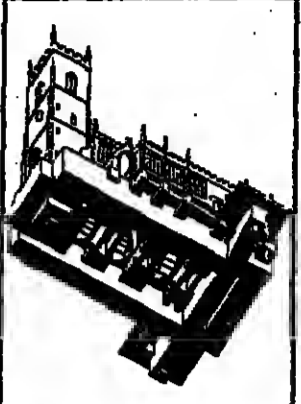
TAYLOR WOODROW CONSTRUCTION (SCOTLAND) has received a contract worth £220,000 from Scottish Metropolitan Property for the general refurbishment and restoration of a three-storey office building at 20, Blythswood Square, Glasgow. Work will include new mechanical and electrical installations.

Work valued at £5.5m has been secured by GEORGE DEW, Oldham. The contracts include construction of an underline bridge for British Rail at St Neots, Beds (£1.9m) and a refuse banding plant for Greater Manchester Council at Bury, Lancs (£1m). At Widnes, the company is undertaking the first £1m phase of a land reclamation

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An unusual £200,000 contract to underpin and reconstruct a church has been awarded to MOWLEM NORTHERN. The drawing shows the underpinning to be completed by June, 1985. The Church of St Wilfrid at Hicketon, near Barnsley, dates from Saxon times. The earliest feature is the Norman chancel arch, with the majority dating from the 18th century. Early this century, mine workings exacerbated a geological fault, causing subsidence in the churchyard. The church was propped and shored but the ground movement has continued, wrenching and in places tearing the fabric. A grid of pre-stressed and post-tensioned beams will be inserted which will underpin the tower, the perimeter walls and the internal arcades. This will transfer the weight of the building to three points. These will be metal tripods that have multi-directional movement

### Balfour Beatty wins work worth £7m

BALFOUR BEATTY CONSTRUCTION has been awarded contracts worth £7m: A £4.3m extension to existing premises at Hyde, Cheshire, for Senior Services, a subsidiary of Gallaher. Work commences on February 6 with a 97-week construction period. A British Airports Authority contract, valued at £1.55m, for the construction of an elevated forecourt at Gatwick Airport's new North Terminal. The contract commenced on January 23 with a 43 week construction period. A £97,000 contract for sub-structures work as part of the Billingsgate Redevelopment scheme being undertaken by Taylor Woodrow Management Contracting. Work commenced on January 23 to be completed in two phases of 12 and 12 weeks; the construction of steel screens on bored pile foundations adjacent to railway tracks at Kings Langley Station, being part of the M25 motorway construction period. The contract, valued at £85,400, was placed by the Departments of the Environment and Transport and commenced on January 9 with a construction period of three months. Balfour Beatty is a member of the BICC Group.

developing living accommodation under a contract valued at £1.24m.

RUSH AND TOMPKINS has started work on contracts worth £1.46m in the south east. They include a £508,998 first floor extension to Bentley Heath telephone exchange (for British Telecom), a £718,127 contract for lift replacement work at Gooch Street Station (for London Transport) and the removal/replacement of end cladding panels from flats in Cromer Street, WC, at £231,506, for the Borough of Camden.

HOLLAND DREDGING (UK), Farnham, has been successful in obtaining a £1m sub-contract from Construction Contractors for works at Langburgh Sea Outfall, Redcar. This includes excavation of a trench, installation of a pipeline and backfilling of the sea outfall trench. The bucket dredger "Holland 1" with associated barges and ancillary plant, will be used in dredging of granular and rock materials. Work starts in April, with completion during October for the Northumbrian Water Authority.

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In accordance with the provisions of the Agent Bank Agreement between Bilbao International Limited, Banco de Bilbao, S.A., and Citibank, N.A., dated August 2nd, 1983, notice is hereby given that the Rate of Interest has been fixed at 10 3/4% pa and that the interest payable on the relevant interest payment date: August 6, 1984, against Coupon No. 2 in respect of US\$10,000 nominal amount of Notes will be US\$518.19.

6 February, 1984, London  
By: Citibank, N.A. (CSI Dept), Agent Bank

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APPOINTMENTS

Senior post at Granada Group

Sir Denis Freeman, chairman of Granada Television has been appointed deputy chairman of GRANADA GROUP...

Mr Manrice Freeman, group director of personnel. Mr George held senior personnel appointments with Rio Tinto Zinc...

Mr Andrew Thornton and Mr James Pettifer have been appointed regional directors of DBA COMPUTER SERVICES GROUP...

Mr Denis McCarthy has been appointed deputy chairman of EASTERN GAS. He will be taking up his appointment shortly...

Mr Colin George has been appointed by ARTHUR GUINNESS AND SONS as head of group human resources...

Mr M.C. P. Redford has been appointed an assistant director of DEVITT (D. A. INSURANCE) GROUP...

Mr Brian Reynolds will resume the role of chief executive, which he held prior to MICRO FOCUS GROUP going public in May 1983...

Mr Dennis Hearn, deputy chief executive of TRUSTHOUSE Forte, will resume responsibility for the division from March 1...

Mr Neville Davis has been appointed managing director of OCEANIC. He was previously financial director, having joined the company in 1978...

Mr Jean Solandri has been appointed a joint vice-chairman of J. HENRY SCHROEDER WAGG AND CO. Mr Adam Broadbent, a director of Schroder Wagg...

Mr Dennis Hearn, deputy chief executive of TRUSTHOUSE Forte, will resume responsibility for the division from March 1...

BUSINESSMAN'S DIARY

- UK TRADE FAIRS AND EXHIBITIONS
Current
International Spring Fair, (01-855 8201) (until Feb 9).

OVERSEAS TRADE FAIRS

- Feb 11-12
International Housewares Fair (01-930 7251) Cologne

Redemption Notice

City of Oslo (Norway)

9% Sinking Fund External Loan Bonds due March 1, 1988

NOTICE IS HEREBY GIVEN, pursuant to Fiscal Agency Agreement dated as of March 1, 1976 under which the above described Bonds were issued...

Table with columns for Bond Numbers and corresponding values for redemption.

This week in Parliament

TODAY
Commons: Opposition Day.

Select Committees: Defence—Subject: Weapons performance in the Falklands. Witnesses: Ministry of Defence (Royal Air Force, 10.30 am).

Debate on a motion on the subject of the proposed withdrawal of UK policies on Northern Ireland agriculture.

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BUSINESS AND MANAGEMENT CONFERENCES

- Feb 6-8
Frost and Sullivan: Human performance engineering (ergonomics) in computer systems (01-486 0354)

Financial Times Conferences

- THE CITY AND EUROPE—A TEN-YEAR APPRAISAL
London: February 27 & 28, 1984

THE WORLD AUTOMOTIVE AFTERMARKET CONFERENCE

- London: March 5, 1984
This conference, held in association with Autopartac 84, will examine the current state and future world-wide potential of a vigorous international market...

THE EUROMARKETS IN 1984

- London: March 6 & 7, 1984
A feature of the London conference calendar in the early months of each year is the FT Euromarkets conference. Speakers will include Mr Peter Engstroem, Mr Philippe Marchat and Professor the Honourable Owen Horwood.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings and financial reports are always available whither dividends concerned are interim or final.

Table listing various companies and their financial events for the week of February 6-10, 1984.

BUSINESS TALKS SHANDONG EXPORT COMMODITIES March 10-19, 1984. Jointly sponsored by Shandong Foreign Trade Corporation with her 14 branches and organisations from economic, financial and industrial circles of the province, the business talks provide you with various export commodities and opportunities to discuss about the importations of advanced technology, machinery equipments and other products.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (2), Abbey Unit Tr. Mgrs. (3), etc., with columns for name, manager, and other details.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (4), Abbey Unit Tr. Mgrs. (5), Abbey Unit Tr. Mgrs. (6), etc., with columns for name, manager, and other details.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (7), Abbey Unit Tr. Mgrs. (8), Abbey Unit Tr. Mgrs. (9), etc., with columns for name, manager, and other details.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (10), Abbey Unit Tr. Mgrs. (11), Abbey Unit Tr. Mgrs. (12), etc., with columns for name, manager, and other details.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (13), Abbey Unit Tr. Mgrs. (14), Abbey Unit Tr. Mgrs. (15), etc., with columns for name, manager, and other details.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (16), Abbey Unit Tr. Mgrs. (17), Abbey Unit Tr. Mgrs. (18), etc., with columns for name, manager, and other details.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (19), Abbey Unit Tr. Mgrs. (20), Abbey Unit Tr. Mgrs. (21), etc., with columns for name, manager, and other details.

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. (22), Abbey Unit Tr. Mgrs. (23), Abbey Unit Tr. Mgrs. (24), etc., with columns for name, manager, and other details.

INSURANCES

Table listing insurance companies and their details, including names, addresses, and contact information.

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F.T. CROSSWORD PUZZLE No. 5335

- ACROSS
1 Unable to span the production schedule? (5-6)
7 Not a smart looking boat, but the reverse (3)
9 Novel house, but starting to let rain in (5)
10 Paris summit conference (1-14)
11 He works his fingers to the bone (9)
12 Don't take time off (5)
13 Foster may run true to form (7)
15 Butcher! Make a run for it! (4)
18 Branch member (4)
20 City in great trouble (7)
22 Frequently decimal (5)
24 A smoke screen? (6, 3)
26 Take a chance or just think about it (9)
27 Hanging wasn't good enough for Fulenius (5)
28 Catch a number on the rebound (3)
29 Labour leader may give the password (4, 7)

Crossword puzzle grid with numbers indicating starting positions for the clues.

- DOWN
7 It comes to the fore in the boot and shoe industry (6)
8 Local supplier? (6)
14 Tributes paid to organised labour (5, 4)
16 I go after the winner with a very long ruler (8)
17 Offered a match (8)
19 N. America's largest meat producer (7)
20 They pay out money for informers (7)
21 It sounds alarmingly like poison (6)
22 Way in which Somerset folk live (6)
25 A girl comes about publicity dodge (5)
The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

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INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance and managed funds, including company names, fund names, and numerical values.

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OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including company names, fund names, and numerical values.

NOTES: This section contains explanatory text regarding the data presented in the tables, including details on fund performance and reporting standards.



FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Shares, Price, and Yield. Includes 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

Over Fifteen Years

Table of British Funds categorized as 'Over Fifteen Years'.

Undated

Table of British Funds categorized as 'Undated'.

Index-Linked

Table of British Funds categorized as 'Index-Linked'.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Amount, and Rate.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Amount, and Rate.

LOANS

Table of Loans with columns for Name, Amount, and Rate.

Public Board and Ind.

Table of Public Board and Industrial Loans.

Financial

Table of Financial Instruments with columns for Name, Price, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Price, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber, and Roads Stocks.

DRAPERY—Continued

Table of Drapery Stocks (Continued).

ENGINEERING—Continued

Table of Engineering Stocks (Continued).

INDUSTRIALS (Misc.)

Table of Industrial Stocks (Miscellaneous).

CANADIANS

Table of Canadian Stocks.

BANKS, H.P. AND LEASING

Table of Banks, H.P., and Leasing Stocks.

ELECTRICALS

Table of Electrical Stocks.

DRAPERY AND STORES

Table of Drapery and Stores Stocks.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. Stocks.

BEERS, WINES AND SPIRITS

Table of Beers, Wines, and Spirits Stocks.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics Stocks.

ENGINEERING

Table of Engineering Stocks.

HOTELS AND CATERERS

Table of Hotels and Caterers Stocks.

RENTALS

Table of Rental Stocks.

Hire Purchase, Leasing, etc.

Table of Hire Purchase, Leasing, etc. Stocks.

DRAPERY AND STORES

Table of Drapery and Stores Stocks.

ENGINEERING

Table of Engineering Stocks.

HOTELS AND CATERERS

Table of Hotels and Caterers Stocks.

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Table of Rental Stocks.

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HOTELS AND CATERERS

Table of Hotels and Caterers Stocks.

RENTALS

Table of Rental Stocks.

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INDUSTRIALS—Continued

Table of industrial stocks including ICI, BHP, Anglo American, and others, with columns for stock name, price, and volume.

LEISURE—Continued

Table of leisure stocks including Leisure, Leisure Investments, and Leisure Properties, with columns for stock name, price, and volume.

PROPERTY—Continued

Table of property stocks including Property, Property Investments, and Property Development, with columns for stock name, price, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including Investment Trusts, Investment Funds, and Investment Companies, with columns for stock name, price, and volume.

OIL AND GAS—Continued

Table of oil and gas stocks including Oil, Gas, and Energy companies, with columns for stock name, price, and volume.

Advertisement for Telford emigration services, featuring the text 'Need room to grow? Emigrate to The Growing State' and 'Telford 0952 613131'.

MINES—continued

Table of mining stocks including various gold, silver, and copper mines, with columns for stock name, price, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including Motors, Aircraft, and related companies.

Commercial Vehicles

Table of commercial vehicle stocks including trucks and transport companies.

Components

Table of component stocks including parts and accessories for vehicles.

Garages and Distributors

Table of garage and distributor stocks including car dealerships and service centers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including media and publishing companies.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including related service companies.

SHIPPING

Table of shipping stocks including maritime and transport companies.

SHOES AND LEATHER

Table of shoe and leather stocks including footwear and leather goods companies.

SOUTH AFRICANS

Table of South African stocks including companies from that region.

TEXTILES

Table of textile stocks including clothing and fabric companies.

TOBACCO

Table of tobacco stocks including tobacco and cigarette companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including investment and real estate companies.

PROPERTY

Table of property stocks including real estate and housing companies.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including various financial and utility companies.

OIL AND GAS

Table of oil and gas stocks including energy and petroleum companies.

OVERSEAS TRADERS

Table of overseas trader stocks including international trade companies.

PLANTATIONS

Table of plantation stocks including rubber and palm oil companies.

TEAS

Table of tea stocks including tea plantation and processing companies.

MINES

Table of mining stocks including various mineral extraction companies.

Central Rand

Table of Central Rand mining stocks.

Eastern Rand

Table of Eastern Rand mining stocks.

Far West Rand

Table of Far West Rand mining stocks.

Finance

Table of finance stocks including banks and financial institutions.

NOTES

Notes section containing various financial notices, company announcements, and market news.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including companies from various regions.

OPTIONS

Table of options stocks including derivatives and financial instruments.

INSURANCE

Table of insurance stocks including various insurance companies.

LEISURE

Table of leisure stocks including recreation and entertainment companies.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Demand for the D-mark

A sharp recovery by the Deutsche Mark was the major factor of interest on the foreign exchange last week...

ing below 1.1700 for the first time since early January. The renewed interest in the Deutsche Mark led to an attraction of investment in German shares...

run for another term of office. Tuesday's announcement of a rise of 0.6 per cent in December's leading indicators...

causing any inflationary problems, which may eventually lead to higher interest rates. This has led some observers to believe that the dollar may have peaked...

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, Unit, % change, Divergence limit %.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months.

OTHER CURRENCIES

Table with columns: Country, Currency, Rate, Note Rates.

FORWARD RATES AGAINST STERLING

Table with columns: Country, Spot, 1 month, 3 months, 6 months, 12 months.

BANK OF ENGLAND TREASURY BILL TENDER

Table with columns: Bill on offer, £100m, £100m, Total applications, £100m, £100m.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months.

CURRENCY MOVEMENTS

Table with columns: Bank of England, Morgan Guaranty, Sterling, U.S. dollar, etc.

CURRENCY RATES

Table with columns: Country, Currency, Rate, % change.

EXCHANGE CROSS RATES

Table with columns: Country, Currency, Rate, % change.

EURO-CURRENCY INTEREST RATES

Table with columns: Term, Currency, Rate, % change.

MONEY MARKETS

Large shortages in London

The Bank of England rolled forward part of last week's money market shortage with further repurchase agreements.

Market settlement about rates will depend to some extent on the next set of UK money supply figures...

markets after disappointing figures in recent months. December's rise in sterling M3 of 1.25 per cent was generally expected...

MONEY RATES

Table with columns: Term, Rate, % change.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Term, Rate, % change.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate, % change.

MONEY RATES

Table with columns: Term, Rate, % change.

LONDON

Table with columns: Term, Rate, % change.

CHICAGO

Table with columns: Term, Rate, % change.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table with columns: Location, Term, Rate, % change.

CONTRACTS & TENDERS

Table with columns: Location, Term, Rate, % change.

LONCONEX LIMITED

Is Pleased to Announce a move to New Premises at 61 St Mary Axe London EC3A 8JB on 6th February 1984

Banco de Bogota Finance Corporation

U.S. \$25,000,000 Guaranteed Floating Rate Notes 1985

CHEMICAL BANK INTERNATIONAL LIMITED

Today's Rates 10 1/2% - 11% 3i Term Deposits

CONTRACTS & TENDERS

SOCIETE DE PROMOTION DU LAC DE TUNIS

ADVISE FOR PREQUALIFICATION OF TENDERERS. The société 'Promotion du Lac' intends to invite, to March 1984, selected contractors to tender for the dredging and civil engineering works...

BOND DRAWINGS

STATE OF SAN PAULO COFFEE INSTITUTE

7 1/2% STERLING BONDS. All Bonds of the above loan have now been drawn for redemption.

YEMEN ARAB REPUBLIC AND PEOPLES DEMOCRATIC REPUBLIC OF YEMEN

YEMEN JOINT PROJECT FOR NATURAL RESOURCES. INVITATION TO TENDER. Qualified firms are invited to tender for a Phase 1 Programme to be completed not later than December 1984.

COMPANY NOTICES

CITY OF LIMA. (The Honorable Provincial Council of Lima) 3% FIRST MORTGAGE BONDS 1991.

CLUBS

THE GASLIGHT OF St. James's, London's most exciting entertainment night-time club. 19, Tottenham Court Road, London W1P 0LP.

ART GALLERIES

PARKIN GALLERY, 11, Motcomb St, SW1 0EJ. RAMON'S NIGHTCLUB RESTAURANT, 21, Dora Street, W1.

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